

Banca & DESARROLLO

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JANUARY - MARCH | 2026

DEVELOPMENT BANKING
contributing to
REGIONAL
TRANSFORMATION

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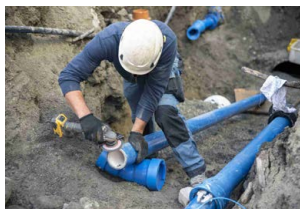
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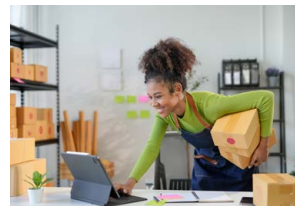
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Message from the President



The ongoing reconfiguration of the international political and economic order is heightening uncertainty and underscoring the depth of the changes underway in the global economy. As in 2020, recent developments have dramatically altered the international environment, with energy—oil and gas—emerging as a key strategic factor, impacting trade flows, supply chains, inflation, and projected growth.

To this backdrop is added the persistent geopolitical instability in the Middle East, marked by escalating tensions among Iran, the United States, and Israel, which reintroduces significant risks to global energy markets. The potential for disruptions to strategic routes, rising risk premiums, and volatility in commodity prices reinforces a climate of uncertainty that extends beyond the region and weighs on the global economy as a whole.

In this context, the countries of Latin America and the Caribbean face the challenge of sustaining growth, expanding inclusion, and strengthening their macroeconomic, productive, and institutional resilience in an environment that demands increasingly comprehensive and strategic responses. At the same time, the current juncture presents a unique opportunity to leverage our energy and food potential, as well as our capacity to supply critical minerals, in a world seeking to diversify sources and reduce geopolitical vulnerabilities.

In addition, financing needs to drive productive transformation, the ecological transition, technological innovation, and social cohesion continue to rise, while fiscal space remains constrained and international financial conditions remain tight for much of the developing world.

This combination of increasing demands and limited scope for action reinforces the importance of development finance institutions capable of mobilizing long-term resources, structuring financial solutions aligned with each country's priorities, and creating the conditions needed to attract investment into strategic sectors. Likewise, it highlights the value of regional cooperation and coordination platforms that enable the sharing of experiences, risk mitigation, the promotion of partnerships, and the long-term support of the economic and social transformation processes required by the region.

Within this framework, from May 20 to 22 we will hold the 56th ALIDE General Assembly in Asunción, Paraguay, with Banco Nacional de Fomento (BNF) serving as the host institution. This meeting represents the principal forum for institutional dialogue among national and regional development banking institutions and will be held under the theme “Innovate, Invest, and Include: Toward a Transformative Agenda for Development Banking.”

This approach clearly synthesizes three actions that are now essential for the region: to innovate in order to adapt to a changing environment and lead new modernization processes; to invest in order to drive the structural transformation of our economies; and to include in order to ensure that the benefits of development effectively reach territories, productive sectors, and the populations that need them most.

Likewise, within the framework of the Assembly, the ALIDE Awards for Best Practices in development finance institutions across the region will be presented. This initiative, promoted by ALIDE for the past eighteen years, has become a well-established platform for recognizing and highlighting outstanding experiences that reflect innovation, effectiveness, and impact in development finance. Its significance goes beyond the recognition of these initiatives, as it also fosters peer learning, the dissemination of replicable models, and the strengthening of an institutional culture oriented toward continuous improvement, sustainability, organizational transformation, and the development of financial solutions with economic and social impact.

ALIDE will continue to promote an agenda that brings together financing, innovation, knowledge, and cooperation, with the aim of actively contributing to the transformation of Latin America and the Caribbean.

The challenge is not only to respond to the demands of the current juncture, but also to build capacities, strengthen partnerships, and lay, from now on, the foundations for a more sustainable, inclusive, resilient, and peaceful future for the region and the world.

Sincerely,

Juan Cuattromo
President of ALIDE



Social Infrastructure Financing in Latin America and the Caribbean through Public Development Banks

Investment in social infrastructure is a fundamental development need, as it supports essential services, reduces gaps, and strengthens resilience. In Latin America and the Caribbean, where significant deficits in housing, water, sanitation, health, and education persist, public development banks play a key role in financing this type of investment through long-term instruments, with a territorial approach and schemes tailored to the region's needs.

Social infrastructure can be defined as the set of physical and digital assets that support the provision of services aimed at meeting citizens' basic needs; this infrastructure is not a secondary component of development, but rather a material foundation for increasing productivity, strengthening resilience, and advancing the Sustainable Development Goals (SDGs).

Currently, the annual financing gap to achieve the SDGs related to health, education, and water and sanitation amounts to approximately US\$800 billion per year through 2030, reflecting the magnitude of the global challenge. Between 2019 and 2023, multilateral development banks allocated, on average, around 22% of their portfolios to core social sectors, and in 2023 these commitments reached US\$52 billion.

In Latin America and the Caribbean (LAC), this effort is complemented by public development banks, which represent an important source of financing for social infrastructure and for mobilizing private capital toward these sectors. Based on a sample of 43 development



Source: Ministry of Urban Development, Housing and Habitat, Paraguay

Based on a sample of 43 development banks in the region, an aggregate portfolio of US\$327.6 billion allocated to social infrastructure sectors was identified, distributed across housing and construction, education, health, and services.

banks in the region, an aggregate portfolio of US\$327.6 billion allocated to social infrastructure sectors was identified, distributed across housing and construction, education, health, and services. Of this total, housing accounted for 60.6%; services, 37.5%; and education and health combined, 1.9%.

From this perspective, the experience of LAC shows that public development banks (PDBs) fulfill at least four strategic functions:

- ▶ Provide long-term financing under conditions consistent with the nature of social infrastructure assets;
- ▶ Territorialize investment by reaching municipalities, subnational entities, local public enterprises, community associations, and construction companies implementing projects with strong social impact;
- ▶ Combine financial and non-financial instruments, including on-lending, direct lending, guarantees, project structuring, and technical assistance; and
- ▶ Align investment with service quality, inclusion, and resilience objectives.

SELECTED LINES AND PROGRAMS WITHIN DEVELOPMENT BANKING

- ▶ Hogares Program with BNA, Banco de la Nación Argentina, aimed at the acquisition, construction, expansion, and renovation of housing. Since its launch in May 2024, the program projected 40,000 loans over three years totaling US\$4 billion and, as of February 2026, had already surpassed 24,000 mortgage loans granted, consolidating the bank as a key player in housing finance and in the expansion of residential social infrastructure.
- ▶ Compromiso Vivienda Popular

Credit Line of Financiera de Desarrollo Territorial S.A. (Findeter): A credit line designed to provide liquidity and working capital for the acquisition, construction, and improvement of social and priority housing. The credit line has total resources of approximately COP 2 trillion (US\$538 million) and, according to official results reported in 2025, had mobilized COP 1.67 trillion (US\$449 million), enabling 11,250 housing solutions across 23 departments and 191 municipalities. Under its financial terms, it provides, for construction companies, maturities of up to 5 years with up to 1 year of grace; for households, maturities can extend up to 20 years.

- ▶ Along the same lines, the Entre Todos Housing Projects Program of the Banco de la República Oriental del Uruguay (BROU), aimed at construction companies or developers of housing projects approved by the Ministry of Housing, finances up to 70% of the investment for a term of 48 months, with a 6-month grace period for interest and a 1-year grace period for principal. In addition, it incorporates the guarantee of the National Guarantee System for Enterprises (SiGa) and provides that homebuyers may access financing of up to 95% of the unit value, as well as a subsidy of up to 30% of the installment from the relevant ministry.
- ▶ In Paraguay, the Che Róga Porã Program of the Agencia Financiera de Desarrollo (AFD) is aimed at facilitating access to first-time homeownership for households without built property registered in their name and with monthly incomes of up to six minimum

wages. It offers loans in guaraníes at an interest rate of 6.5%, with maturities of up to 30 years and maximum amounts of up to 250 minimum wages in Asunción and 210 minimum wages in the rest of the country. Between 2024 and 2025, the program enabled more than 2,600 families to access housing finance, mobilized over US\$88 million in approvals and disbursements, and generated more than 17,300 direct and indirect jobs.

- ▶ For its part, COFIDE, the Development Bank of Peru, issued the country's first Blue Bond in 2024 for PEN 100 million (US\$29 million), followed by a second issuance in 2025 for PEN 120 million (US\$34.8 million), with the aim of channeling these resources into the financing of projects that improve households' access to drinking water and sanitation in peri-urban and rural areas, through the installation of bathrooms, the purchase of water tanks, and access to household water supply and sewerage connections.
- ▶ The Agência de Fomento do Estado de Santa Catarina (Badesc), through its Badesc Cidades program, finances municipal investments in housing, health, basic sanitation, water, and the environment, as well as community facilities such as schools, daycare centers, libraries, hospitals, and community centers. The facility can cover up to 100% of the investment, with a grace period of up to 24 months and a total maturity of up to 120 months.
- ▶ The Banco Regional de Desenvolvimento do Extremo Sul (BRDE) operates instruments such as Mais Sustentabilidade Ambiental, aimed at expanding access to



drinking water and sanitation, and Apoio ao Município, which supports municipal projects in economic, social, and tourism infrastructure, including public sanitation, urban mobility, and public lighting.

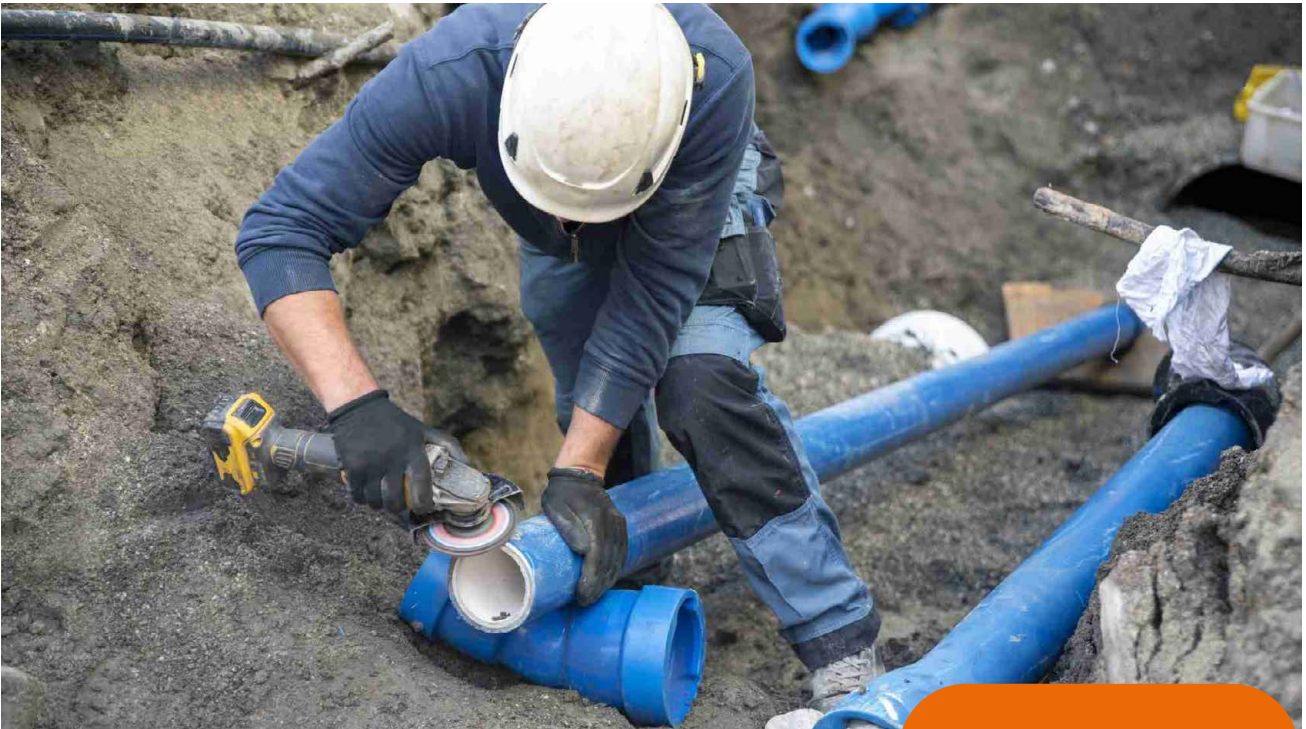
- ▶ This is complemented by the Agência de Fomento do Estado de São Paulo (Desenvolve SP), whose Linha Municípios Sustentáveis finances water, sanitation, health, education, and resilient infrastructure with participation of up to 100%, maturities of up to 120 months, and grace periods of up to 12 months.
- ▶ At the national level, the Banco Nacional de Desenvolvimento Econômico e Social (BNDES), in 2024, through BNDES Invest Impacto, signed contracts totaling BRL 1 billion (US\$187.6 million) with the state of Ceará for sanitation and water supply works benefiting 39 municipalities and approximately 1.5 million residents.

- ▶ The Reactiva Agua y Residuos Sólidos credit line of Findeter is aimed at territorial, public, decentralized, and private law entities to finance projects in drinking water, basic sanitation, and solid waste. The credit line offers maturities of up to 10 years, with grace periods of up to 2 years, and will remain in force until December 31, 2026, or until resources are exhausted. At launch, available resources of COP 631 billion (US\$170 million) were reported, specifically allocated to financing water supply, sewerage, and solid waste infrastructure.

- ▶ On the other hand, the Banco de Desarrollo del Ecuador B.P. (BDE) manages a broad portfolio in the area of water and sanitation. Among its programs are PROGAPSA, financed by the European Investment Bank (EIB), which prioritizes wastewater and stormwater infrastructure while also allowing drinking water projects under specific eligibility

criteria. The program financed by the Spanish Agency for International Development Cooperation (AECID) focuses on water and sanitation in rural communities in Esmeraldas and Manabí. Promadec IV, financed by the Development Bank of Latin America and the Caribbean (CAF), aims to expand coverage and efficiency in drinking water, sanitation, urban drainage, and solid waste services, with an estimated beneficiary population of 250,000 inhabitants. The PAS-IDB Program, financed by the Inter-American Development Bank (IDB), is aimed at improving quality of life through investments to expand access to and enhance the provision of drinking water, sanitation, and solid waste management services, with a focus on social inclusion, gender, and climate change. The PIM AFD Program, financed by the French Development Agency (AFD), is focused on sustainable infrastructure that promotes equitable access to and improved





provision of essential services—such as drinking water, sanitation, solid waste management, urban regeneration, and urban mobility—as well as resources specifically allocated to address the adverse impacts of the El Niño phenomenon.

- ▶ Similarly, in Colombia, the Instituto para el Desarrollo de Antioquia (IDEA) offers a Promotion Credit Line that finances public investment projects as well as projects undertaken by private legal entities, aimed at meeting basic needs and improving the community's quality of life. Among its explicitly defined uses are drinking water and basic sanitation, as well as social infrastructure in health, education, housing, culture, sports, and recreation. In 2025, IDEA reported an additional lending capacity of COP 309.053 billion (US\$83 million), reaching a total of COP 536.154 billion (US\$144.3 million) allocated to road works, sanitation, mobility, and social projects,

suggesting a significant financial scale for territorial investment.

- ▶ In Mexico, the Banco Nacional de Obras y Servicios Públicos, S.N.C. (Banobras) offers the Banobras-FAIS Program, which allows municipalities to advance up to 25% of the resources from the Social Infrastructure Contributions Fund during their administration, allocating them to projects such as drinking water, sewerage, drainage, electrification, educational infrastructure, and health infrastructure in communities with extreme poverty and high social lag. This instrument is particularly relevant because it demonstrates how a development bank can monetize future public transfer flows to accelerate the delivery of social infrastructure in the present.

These good practices demonstrate that public development banks are key actors in the development of social infrastructure in LAC; their contribution lies not

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only in closing a financing gap, but also in enabling a specific form of public and quasi-public investment—long-term, territorially differentiated, socially oriented, and aligned with welfare outcomes.

1. *Social Infrastructure in Focus: The Role of Multilateral Development Banks* (2025). https://coebank.org/documents/1744/Social_Infrastructure_in_Focus-The_Role_of_MDBs.pdf?expires=1773155796



Development Banking in the Productive Transformation of the Agricultural Sector

The use of strategic information on value chains, segments, and financing gaps, within the framework of a productive intelligence approach, can strengthen the design and targeting of Development Banking products for the agricultural sector in Latin America and the Caribbean (LAC). From this perspective, it is shown how credit, guarantees, and other specialized instruments can be better aligned with activities that have greater potential for productivity, value added, and territorial development.



From the Latin American structuralist tradition, it was argued that economic development could not be sustained indefinitely on the basis of primary specialization, but rather required productive diversification and the strengthening of domestic technological capabilities (Prebisch, 1950). This idea remains relevant in a context shaped by the reconfiguration of global value chains, the transition

Structural constraints in the agricultural and livestock sector are reflected in high levels of productive heterogeneity, informality, and a low density of business support services.

toward low-carbon economies, and the need for greater productive resilience in the face of external shocks. In this context, agriculture once again takes on a central role—not as a residual sector, but as

a starting point for driving productive transformation, agro-industrial linkages, territorial innovation, and value-added generation (Salazar-Xirinachs and Llinás, 2023; Grynspan, 2023).

In this framework, productive intelligence emerges as a useful approach for guiding development policies by enabling the identification of diversification opportunities, the coordination of public and private actors, and the design of instruments to overcome structural bottlenecks in strategic sectors of the economy.

This summary of a broader study outlines the main productive and financial gaps in agricultural systems in Latin America and the Caribbean (LAC), examines the role of productive intelligence in identifying opportunities for diversification and upgrading within agro-industrial value chains, and explores how development banking can apply this approach to channel investment toward activities with greater potential for value-added generation, resilience, and territorial development.

PRODUCTIVE AND FINANCIAL GAPS IN AGRICULTURE

Structural constraints in the agricultural and livestock sector are reflected in high levels of productive heterogeneity, informality, and a low density of business support services. At the territorial level, distance to markets, high logistics costs, and limited supporting infrastructure increase post-harvest losses and reduce producers' competitiveness. At the enterprise level, small productive units predominate, with limited investment capacity and low levels of financial inclusion, which hinders the adoption of innovation, compliance with quality standards, and the consolidation of stable commercial relationships with buyers.

In the financial market, these conditions often translate into a perception of higher risk, which restricts access to credit and increases

Table n.º 1. Main Frictions in Rural Credit for Agri-SMEs and Family Farming

Friction	Effect on Financing
Origination and monitoring costs	Reduces the supply of credit and increases effective interest rates
Incomplete information on income and risks	Increases credit rationing and requires higher collateral
Insufficient or non-enforceable collateral	Limits loan maturities and amounts, restricting long-term investment
Climate and sanitary risk	Increases the risk premium and fosters cycles of underinvestment
Low levels of formalization and management capacity	Hinders credit assessment and compliance with requirements

Prepared in-house

the cost of financing. Financial intermediaries face high origination and monitoring costs, information asymmetries, and limitations in terms of collateral. As a result, a significant share of productive investment relies on informal sources, own resources, or commercial arrangements under less favorable conditions, affecting productivity and the capacity to adapt to climate risks. These constraints are reflected in a set of specific frictions that affect financing in the rural sector (Table No. 1).

PRODUCTIVE INTELLIGENCE AND DEVELOPMENT BANKING IN AGRICULTURAL TRANSFORMATION

Overcoming the structural constraints of the agricultural sector requires not only expanding financing, but also enhancing the capacity to identify activities with potential for productive transformation. Productive intelligence is an analytical approach that helps guide public policies and investment strategies toward agro-industrial sectors or value chains with greater potential to generate value added, employment, and economic diversification.

Inspired by the theory of economic complexity (Hausmann and Hidalgo, 2009), productive intelligence uses economic information and analytical

tools to identify existing productive capabilities and project diversification pathways. In the agricultural domain, it makes it possible to identify crops or productive chains that can evolve toward activities with greater technological content, agro-industrial integration, or improved market opportunities.

Tools such as the Economic Complexity Index, cluster analysis, and sectoral capability maps make it possible to prioritize sectors in which investment, financing, and innovation policies can generate higher returns in terms of economic transformation. An applied example is the Economic-Productive Complexity Map developed by the Banco de Desarrollo Productivo of Bolivia, which facilitates the diagnosis of territorial productive capabilities and the identification of sectors with scaling potential.

Development Banking can use productive intelligence to direct financing toward activities with greater transformation potential. Through instruments such as long-term financing, risk mitigation mechanisms, blended finance, and second-tier lending schemes, resources can be channeled toward agro-industrial value chains with a greater capacity to generate value added, strengthen productive



resilience, and promote territorial development.

PRIORITY INSTRUMENTS AND LINES OF INTERVENTION

Once the agro-industrial activities and value chains with the greatest transformation potential have been identified through productive intelligence tools, the effectiveness of Development Banking depends on its ability to structure a portfolio of financial instruments aligned with both the structural constraints of the territory and the productive profile of the beneficiaries. These instruments should be aimed not only at expanding access to credit, but also at promoting processes of productive modernization, technological innovation, and agro-industrial integration.

Based on the analysis of experiences and financial products compiled by ALIDE, it is possible to identify a set of mechanisms used by development banks to address these needs. These instruments make it possible to channel resources toward prioritized sectors, reduce barriers to credit access, and strengthen the integration of producers, agri-SMEs, and agro-industries within value chains with a greater capacity to generate value added (Table No. 2).

Among the most relevant instruments are medium- and long-term investment credit for productive modernization, modern irrigation systems, post-harvest infrastructure, and renewable energy, as well as seasonal working capital financing with repayment schemes aligned with the agricultural cycle or with contracts within agro-industrial value chains. Similarly, guarantee systems for agri-SMEs help expand access to financing and reduce the collateral constraints faced by producers and rural enterprises.

Table n.º 2.

Development Banking Instruments for Agricultural Productive Transformation

Instrumento	Objetivo	Mecanismo de impacto
Productive investment credit	Modernize agricultural and agro-industrial production	Finances modern irrigation systems, mechanization, post-harvest infrastructure, and productive technologies that increase productivity and value added
Portfolio guarantees	Expand access to financing	Reduces expected losses for financial intermediaries and enables longer maturities, larger loan amounts, and broader credit coverage
Blended finance	Mobilize private capital	Improves the risk-return profile of agricultural projects and covers origination, innovation, and technical assistance costs
Value chain finance (factoring, purchase agreements)	Strengthen agro-industrial integration	Enhances liquidity for producers and agri-SMEs linked to value chains and reduces commercialization risk
Green credit and climate finance	Promote sustainability and resilience	Encourages investment in water-use efficiency, renewable energy, regenerative agriculture, and emissions reduction
Parametric agricultural insurance	Reduce climate risks	Provides rapid payouts in response to extreme climate events, stabilizing income and repayment capacity
Second-tier financing and operator networks	Expand territorial coverage	Channels financing through local financial intermediaries, cooperatives, and specialized operators
Enabling infrastructure	Increase systemic productivity	Finances storage, logistics, irrigation, and productive services that reduce post-harvest losses and commercialization costs

Source: Categorization of financial products presented in the ALIDE Awards and review of instruments used by development finance institutions. Prepared in-house.



Additionally, mechanisms such as factoring or invoice discounting improve liquidity and formalization within agro-industrial value chains, facilitating integration among producers, processors, and distributors.

Development Banking can also promote innovation and productive sustainability through financing for technologies such as precision agriculture, digital traceability, and efficient water management, as well as green credit lines aimed at strengthening climate resilience. In this framework, Development Banking not only provides financing, but also acts as a catalyst for strategic investments by mobilizing public and private capital toward sectors with greater potential for productive transformation.

CONCLUSIONS AND LESSONS FOR PUBLIC POLICY

Productive and financial gaps in the agricultural sector in LAC stem from structural issues such as productive heterogeneity, infrastructure limitations, high logistics costs, and restricted access to formal financing. These conditions particularly affect family farming and rural agri-SMEs, reducing their capacity for investment, innovation, and integration with more dynamic markets.

In this context, public policies can benefit from approaches that combine productive financing with instruments aimed at reducing frictions in rural credit, including high origination and monitoring costs, information asymmetries, collateral constraints, and exposure to climate risks. This requires financial mechanisms tailored to the sector, as well as stronger coordination among financial institutions, productive actors, and territorial development policies.



With instruments such as long-term financing, risk mitigation mechanisms, blended finance, and second-tier schemes, they can channel resources toward agro-industrial value chains with greater capacity to generate added value, strengthen productive resilience, and promote territorial development.

The productive intelligence approach provides a useful tool for guiding these interventions by enabling the identification of agro-industrial value chains with potential for diversification, greater value added, and improved market integration opportunities. In this framework, Development Banking can play a key role through instruments such as productive investment credit, guarantees, value chain finance, agricultural insurance, and climate finance.

Overall, the alignment of productive intelligence, appropriate financial instruments, and territorial development policies can strengthen the role of agriculture as a platform for productive transformation, particularly when integration is promoted among primary production, agro-industry, technological innovation, and value chains¹.



Ariel Zabala
Former Manager of Banco de Desarrollo Productivo S.A.M. (BDP), Bolivia²



Kevin Fiestas García
Economist of ALIDE

1. This article presents a synthesis of the main arguments from a broader research study that will be published in other academic outlets in the near future.
2. General Manager of BDP at the time this publication went to press.



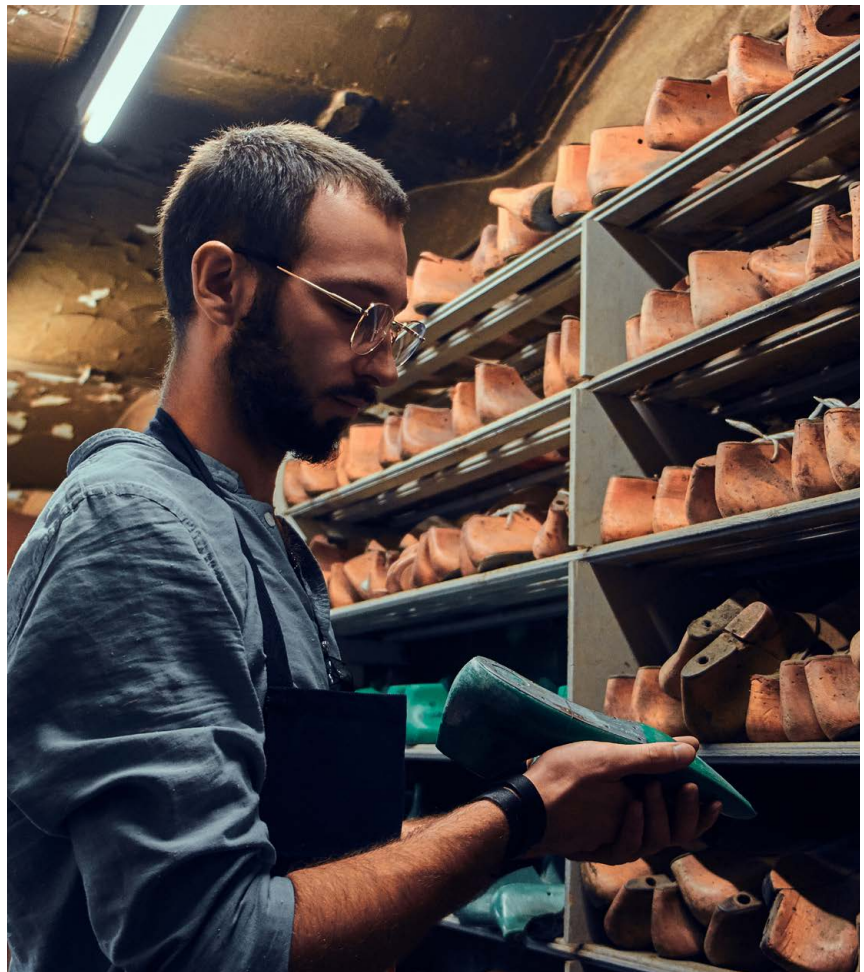
Nafin and Bancomext: The Development Banks of Plan México

Plan México, an industrial policy aimed at coordinating public and private investment to foster inclusive, innovative, and sustainable economic development in strategic sectors and territories.

I have the honor of leading Nacional Financiera and Banco Nacional de Comercio Exterior since August 2025. Both are institutions with a strong tradition and a clear service-oriented mission to support the country's economic development. Nafin has spent 92 years promoting Mexican businesses through access to financing, while Bancomext, for 87 years, has been a fundamental pillar of foreign trade and foreign exchange generation.

Throughout their history, both institutions have not only consolidated their mission but have also been pioneers in the Mexican financial sector. Nafin was the first intermediary to place a company on the Mexican Stock Exchange (BMV), and Bancomext was the first to execute a commodities repo transaction in the country. Both milestones reflect the undeniable capacity of these institutions to innovate in response to the needs of Mexico's economic reality.

The achievements of both development banks are countless; however, today I would like to highlight their vision in this new stage—one in which Nafin and Bancomext operate in close coordination to fulfill a shared objective of great significance: to serve as the banking arm of Plan México.



Both Nafin and Bancomext are mandated to promote import substitution by strengthening the development of domestic content; accordingly, their nature and evolution position them as the institutions best suited to fulfill this crucial role.



Upon assuming leadership of these institutions, one of the first tasks was to review their legal framework. Both the Organic Laws of Nafin and Bancomext establish the mandate to promote import substitution by strengthening the development of domestic content; accordingly, their nature and evolution position them as the institutions best suited to fulfill this crucial role.

Contrary to what might be assumed, Plan México is not a short-term response to the international environment. It stems from an in-depth diagnostic that we began in 2021 at the Ministry of Finance. At that time, we sought to answer a fundamental question: why is Mexico not growing at its full potential? The analysis was clear: for decades, we lacked an industrial policy that would allow us to strengthen the domestic market. In fact, Mexico became a transit country for goods rather than a producer of them, making it imperative today to reorient our economy to strengthen domestic industry.

Thus, Plan México is an industrial policy of the Government of President Claudia Sheinbaum that seeks to coordinate public and private investment to promote inclusive, innovative, and sustainable economic development in strategic sectors and territories. It is not merely aspirational, but rather a set of guiding principles to build a more competitive, resilient, and equitable economy. The plan includes 15 strategic sectors, ranging from traditional industries—such as textiles, footwear, and agroindustry—to innovation-driven sectors such as aerospace, electromobility, semiconductors, and clean energy, among others.

A key instrument for the implementation of Plan México is the Economic Development Poles for Well-Being (PODECOBI). These industrial parks, distributed throughout the country, concentrate public and private efforts to boost productivity and job creation through tax incentives and administrative facilities for those seeking to invest.

Plan México provides us with a historic opportunity, as it is a far-reaching national strategy toward 2030 that aims to position Mexico among the world's ten largest economies, generate 1.5 million jobs in strategic sectors, and increase domestic consumption and national content by 50%. To achieve this, we have a dynamic, strategic Development Banking system that is closely connected to the business sector.

In this regard, and as instructed by our president, Nafin and Bancomext serve as its financial arm. Both institutions are aligned with this innovative strategy through competitive financial instruments—such as financing, factoring, and guarantees—but this effort goes further: we also offer a range of non-financial services designed to strengthen the business ecosystem as a whole. Through training, technical assistance, and business matchmaking events, we build a more competitive business ecosystem capable of successfully integrating into global value chains. It is worth noting that these



services are provided entirely free of charge.

Likewise, we have fostered a level of dialogue with the private sector not seen in recent years. We are convinced that it is not enough to invest; it is essential to do so with a strategic approach. Our role is to receive projects, structure them, and transform them into viable banking products, reaching areas where traditional banking does not always operate. That is, in essence, the very purpose of Development Banking. Moreover, our objective is to develop stronger business cases that allow us to align the policies of the Mexican government with the specific needs of each company. That is what we are here for.

In this new stage, we are also redefining the role of the Fund of Funds, which is composed of Nafin, Bancomext, Banobras, and Focir. It has generally

operated as a purely financial entity; however, we now aim to consolidate it as a key instrument in support of public policy, serving as a catalyst for regional and national development.

While the challenge is significant, the opportunity is even greater. At Nacional Financiera and Banco Nacional de Comercio Exterior, we have modern

financial instruments, guarantee schemes, sector-specific programs, and technical assistance mechanisms with the capacity to strengthen the productivity, competitiveness, and sustainability of the national productive sector. Our objective is clear: to drive economic transformation with inclusion, innovation, and regional balance, consolidating Mexico as an industrial and financial powerhouse in Latin America.

I am convinced that Nafin and Bancomext are—and will continue to be—fully equal to the challenges ahead. I invite you to engage with us and find in us the banking arm of Plan México—your strongest ally.

We are convinced that it is not enough to invest; it is essential to do so with a strategic approach. Our role is to receive projects, structure them, and transform them into viable banking products.



Roberto Lazzeri Montañó
Chief Executive Officer of Nacional Financiera (Nafin) and Bancomext



Digital Transformation in Development Banking: The Role of Technological Platforms

In a context where digitalization is redefining the way financing is intermediated and public policies are managed, this article shows how technological platforms implemented by Development Banks contribute to improving evaluation, monitoring, targeting, and access to financing, thereby strengthening their capacity to deliver development outcomes.



Digital transformation has become one of the most significant structural processes shaping the contemporary financial system. In the case of Development Banking, this process goes beyond the mere automation of procedures or the adoption of technological tools. In Latin America and the Caribbean (LAC), where gaps in financial inclusion and connectivity persist, digital platforms are beginning to play a deeper role: integrating payments, credit origination, information, monitoring, and non-

financial services within a single operational architecture. When this infrastructure is aligned with the mandate of development finance institutions, technology not only enhances operational efficiency, but also expands coverage, strengthens the targeting of interventions, and increases the capacity to deliver development outcomes (ECLAC, 2024¹; IDB, ALIDE and Digital Bank, 2024²).

These platforms are reshaping the way development finance institutions identify demand, assess projects,

support investments, manage risks, and monitor results. Beyond accelerating processes, they are transforming the way development is intermediated by enabling the integration of information, reducing uncertainty, and improving decision-making.

This shift is particularly relevant in a region where productive challenges are often associated with information asymmetries, high transaction costs, low levels of financial inclusion in certain segments, and territorial gaps.



In this context, technological platforms make it possible to bring the bank closer to the territories, strengthen credit analysis, and improve the monitoring of operations, helping to allocate resources more precisely and enhance their impact.

AN OVERVIEW OF PLATFORMS AND INSTRUMENTS

Before distinguishing functions and categories, it is useful to consider the range of experiences that Development Banking is already undertaking. Institutions have begun to build platforms that perform different but complementary functions: they facilitate digital credit origination; enable the comparison of offers, reduce information asymmetries, and improve liquidity in value chains; and generate territorial, sectoral, and project-level

intelligence to support financing, monitoring, and evaluation decisions.

Within this landscape are, among others, the Sistema Agroclimático of the Banco de Desarrollo Productivo (BDP) of Bolivia, the Mapa de Complejidades Económico Productivo of BDP, GeoBNDES of the Banco Nacional de Desenvolvimento Econômico e Social (BNDES), the Decisión platform of the Fondo para el Financiamiento del Sector Agropecuario (Finagro), Digitaliza tu Pyme supported by the Corporación de Fomento de la Producción (Corfo), Neocrédito of the Banco de Comercio Exterior de Colombia (Bancóldex), Suppliers Pay Cash of the Banco Nacional de Comercio Exterior (Bancomext), as well as open data and territorial analytics platforms developed by other institutions. Taken together, these tools show that digitalization in Deve-

lopment Banking is no longer limited to digitizing procedures; it is also geared toward generating useful information, improving decision-making, and expanding monitoring capacity (Table No. 1).

This initial overview highlights that not all platforms pursue the same objective. Some are geared toward direct financial intermediation, others toward transparency, and others toward institutional intelligence.

INFORMATION AND ANALYTICS PLATFORMS TO IMPROVE DECISION-MAKING

A first category comprises instruments that transform dispersed data into operational intelligence. Their main contribution does not lie in accelerating a transaction, but in improving the quality of evaluation, monitoring, or territorial prioritization.

Table n.º 1. Main digital platforms and instruments in Development Banking

Country	Institution	Platform or Instrument	Main Function
Bolivia	Banco de Desarrollo Productivo (BDP)	Sistema Agroclimático of BDP (SAC-BDP)	Territorialized climate information and alerts for technical assistance, risk management, and support for agricultural-livestock financing.
Bolivia	Banco de Desarrollo Productivo (BDP)	Mapa de Complejidades Económico Productivo	Territorial analysis tool to prioritize products, territories, and productive financing decisions.
Brazil	Banco Nacional de Desenvolvimento Econômico e Social (BNDES)	GeoBNDES, project monitoring with satellite imagery (APIs)	Physical and financial monitoring, and progress verification through geoprocessing and satellite imagery.
Chile	Ministry of Economy of Chile, with the support of the Corporación de Fomento de la Producción (Corfo).	Digitaliza tu Pyme	Support for companies in their digital transformation process through diagnostics, tools, and access to support programs.
Colombia	Fondo para el Financiamiento del Sector Agropecuario (Finagro)	Decisión	Agricultural-livestock credit assessment based on productive, technical, and financial data collected in the field.
Colombia	Banco de Comercio Exterior de Colombia (Bancóldex)	Neocrédito	Microcredit marketplace to compare options and streamline digital origination.
Mexico	Banco Nacional de Comercio Exterior (Bancomext)	Suppliers Pay Cash	Electronic factoring platform to provide liquidity to suppliers and value chains.

Prepared in-house based on institutional information.





In LAC, digital platforms are beginning to play a deeper role: integrating payments, credit origination, information, monitoring, and non-financial services within a single operational architecture.

In Bolivia, the Sistema Agroclimático of the Banco de Desarrollo Productivo (BDP) constitutes a particularly illustrative experience. It is a tool that provides reliable, timely, and territorially disaggregated climate information, enabling the anticipation of adverse events, the planning of planting activities, and the adjustment of agricultural calendars. In practice, this strengthens both technical assistance and the quality of financial decision-making, as it brings the bank closer to the productive realities of the territory and reduces the uncertainty faced by producers and intermediaries.

In the same country, the Mapa de Complejidades Económico

Productivo extends this analytical approach to the realm of productive development. The platform translates the economic complexity framework into operational criteria to prioritize territories, products, and sectors with growth potential. Thus, it makes it possible to link financing policy with a more nuanced understanding of the productive structure and to direct resources toward activities with greater potential for scaling, diversification, or value chain integration.

In Brazil, the case of the Banco Nacional de Desenvolvimento Econômico e Social, through GeoBNDES and the Project Monitoring Reports with

Satellite Imagery (APIS), shows how digitalization can transform the monitoring of operations. Through geoprocessing and satellite imagery, the institution can verify changes in land use, document physical progress, identify deviations, and target field visits. This reduces monitoring costs, improves transparency, and strengthens the ability to address issues during implementation.

In Chile, the Digitaliza tu Pyme platform, promoted by the Ministry of Economy and the Corporación de Fomento de la Producción (Corfo), applies this approach to the field of business digital transformation. Through diagnostic tools and technology guidance, this initiative enables companies to identify digitalization gaps and access support programs, generating relevant information both for business transformation and for the design of productive policy instruments.

These platforms share a common feature: they expand the information available for decision-making. Risk management thus ceases to rely exclusively on historical financial statements or conventional collateral and begins to incorporate productive, climatic, territorial, and operational data. This does not eliminate the need for expert analysis, but it does allow such analysis to be more timely, more precise, and better aligned with the realities of the beneficiaries.

PLATFORMS THAT EXPAND ACCESS AND REDUCE FRICTIONS

This category brings together tools that operate on financial and commercial intermediation, reducing access barriers, search costs, and response times.

In Colombia, Neocrédito, developed by Bancóldex, connects formal



and informal microentrepreneurs with multiple financial institutions, standardizing requirements and facilitating the comparison of offers. Its main contribution is to reduce information asymmetries in a segment where search costs and the dispersion of requirements often exclude numerous potential applicants from formal credit.

In Mexico, Suppliers Pay Cash, developed by Bancomext, serves a different, yet equally relevant function. Through an electronic factoring scheme, it enables suppliers to discount accounts receivable in a fast and secure manner, improving their liquidity and strengthening the financing of value chains. The digital platform does not replace the financial product; rather, it makes it more accessible, more traceable, and operationally more efficient.

In Colombia, the Decisión platform, developed by Finagro, occupies an intermediate position between both categories. On the one hand, it is a technical and financial analysis tool;

on the other, it improves agricultural-livestock credit origination by enabling the capture of field data, even offline, and the generation of projections and indicators in a standardized manner. Thus, it combines institutional intelligence with a tangible improvement in the evaluation process and access to financing.

DIGITAL PLATFORMS AS TOOLS TO STRENGTHEN DEVELOPMENT INTERMEDIATION

The overall assessment of these experiences suggests that the digital transformation of Development Banking should not be measured solely by the number of online procedures, the sophistication of an application, or the speed of a transaction. Its value lies in better integrating financing, information, monitoring, technical assistance, and investment decisions.

The main lesson is that useful technology is not necessarily the most visible, but rather the one that improves concrete decisions. Therefore, the priority should not be to digitalize for the sake of trends, but to identify at

which points along the value chain—from initial evaluation to monitoring and institutional feedback—a platform can generate the greatest additionality.

Development Banking in the region faces four key priorities: consolidating data and systems interoperability, strengthening internal capabilities, advancing data protection, cybersecurity, and digital governance, and deepening results measurement to assess digital transformation not only in terms of operational efficiency, but primarily in terms of its contribution to development.

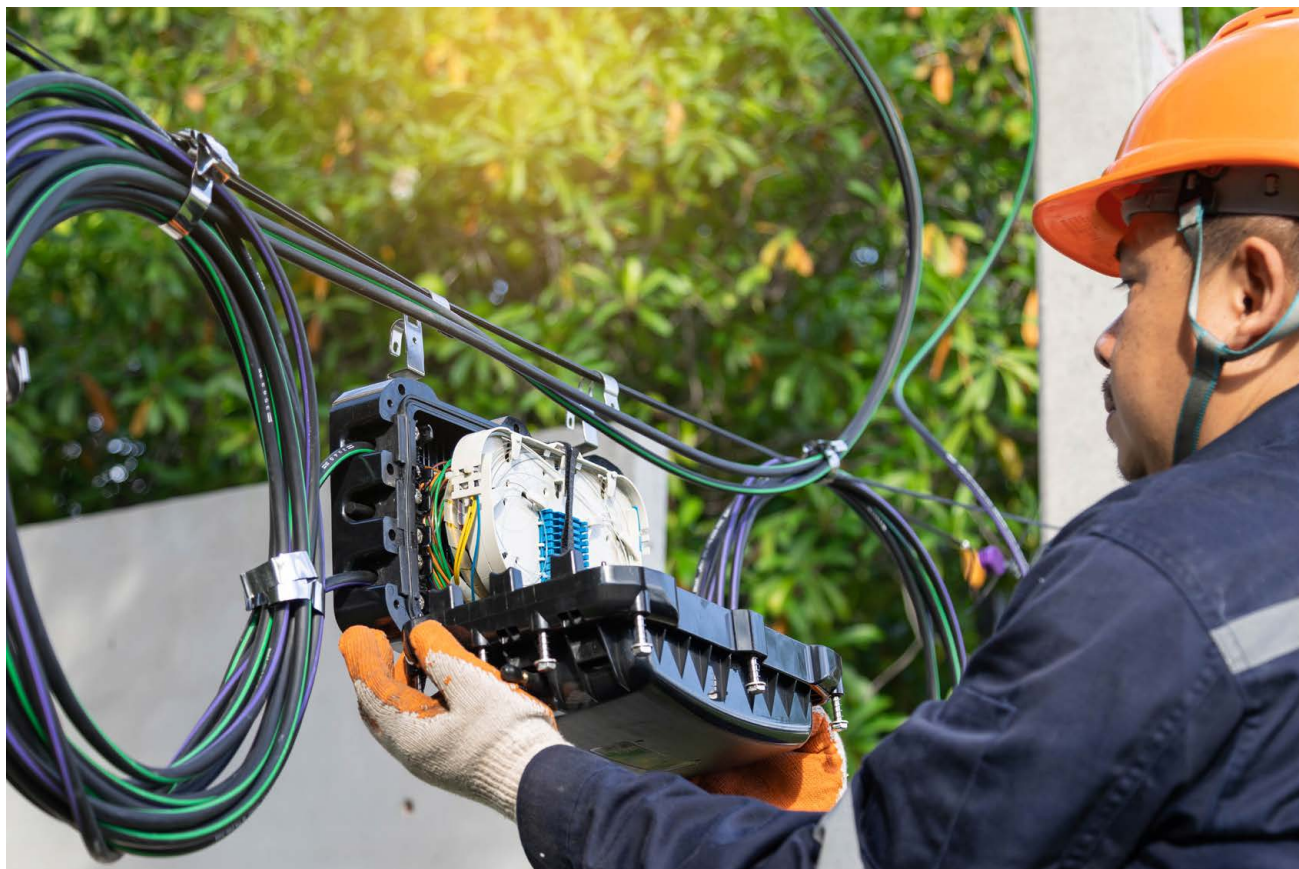
- 1 CECLAC. (2024). A real and effective digital transformation can help Latin America and the Caribbean overcome the traps that hinder their development.
- 2 IDB, ALIDE, and Digital Bank. (2024). Digital Transformation Pilots for Development Finance Institutions: Progress in Financial Digitalization in Latin America.

The digital transformation of Development Banking should not be measured solely by the number of online procedures, the sophistication of an application, or the speed of a transaction. Its value lies in better integrating financing, information, monitoring, technical assistance, and investment decisions.



Sustainable Data Centers and Development Banking in Latin America and the Caribbean

How to Align Digital Infrastructure, Renewable Energy, and Financing to Drive Productive Transformation and Attract Investment



Digitalization has redefined the concept of strategic infrastructure in economies, incorporating a new layer linked to the capacity to process and manage large volumes of information. While traditional infrastructure (transportation, energy, and telecommunications) remains essential, digital infrastructure has become a critical component for the functioning of markets, businesses, and governments. Within this framework, data centers constitute the physical backbone of

Data centers constitute the physical backbone of the digital economy by hosting systems that enable the continuous operation of financial services, e-commerce, enterprise platforms, and digital public services.

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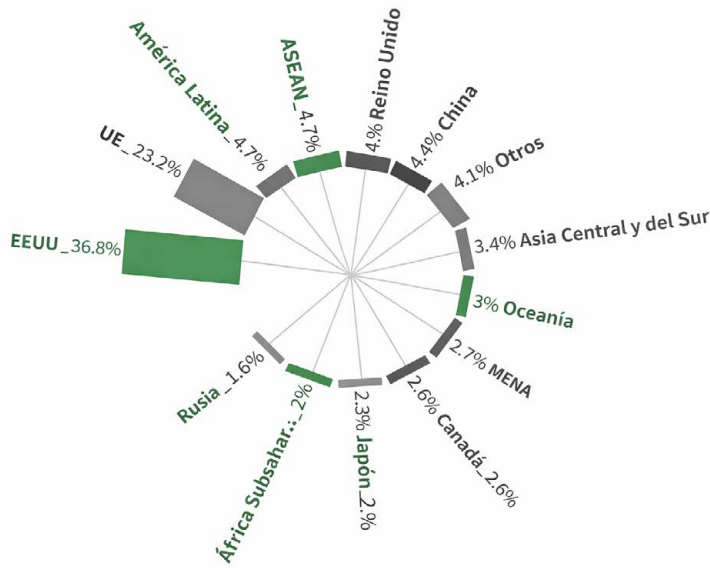
The sustained growth in demand for computing capacity, driven by the

expansion of digital services and the adoption of cloud-based solutions, is redefining the location patterns of this infrastructure. Latency, security, and data regulations have increased the importance of proximity between processing centers and users,



Figure n.º 1.

Global Distribution of Data Centers: Selected Regions and Economies (% of total)



Prepared in-house based on Data Center Map (2025).

intensifying competition among territories to attract investment. Latin America and the Caribbean (LAC) is beginning to integrate into this dynamic, with a market that could reach US\$14.3 billion by 2030, up from US\$7.16 billion in 2024 (Research and Markets, 2025). This process is structured around hubs such as Brazil, Mexico, Colombia, and Chile, which concentrate investments and new capacity, in line with the global distribution of this infrastructure (Figure No. 1).

ENERGY SUSTAINABILITY AND DIGITAL TRANSITION:

Data centers require a continuous, stable, and large-scale electricity supply, along with intensive cooling systems to ensure uninterrupted operation. Global electricity consumption associated with data centers is projected to increase from 860 TWh in 2025 to approximately 1,587 TWh by 2030 (Gramma, 2025), while in LAC, additional pressure on power systems is expected to potentially

LAC has an advantage: more than 60% of its electricity mix comes from renewable sources, and installed capacity exceeds 290 GW, with an additional potential of approximately 319 GW in solar and wind projects.

exceed 5% of total electricity demand by 2035.

Cooling accounts for a significant share of energy consumption—exceeding 30% in some cases—and, in certain technologies, involves intensive water use, introducing constraints in water-stressed regions (Williams, 2026). This situation has made the availability of clean energy, along with operational efficiency, a decisive factor in the siting of new investments.

LAC has an advantage: more than 60% of its electricity mix comes from renewable sources, and installed capacity exceeds 290 GW, with an additional potential of approximately 319 GW in solar and wind projects (Castellanos, 2023). This foundation provides favorable conditions for the development of digital infrastructure with a lower carbon footprint. However, the sector's competitiveness depends on complementary factors such as robust transmission networks, energy storage systems, stable regulatory frameworks, and clean energy certification mechanisms.

Under these conditions, what role does—or should—Development Banking play in financing the expansion of energy infrastructure, promoting renewable projects, and structuring investments that integrate data centers with sustainable power systems? Its involvement helps mitigate risks, enable long-term investments, and consolidate digital ecosystems aligned with decarbonization goals.

TURNING OPPORTUNITY INTO DEVELOPMENT:

Attracting investment in data centers does not, in itself, guarantee productive transformation. While LAC has favorable conditions, outcomes depend on the ability to align digital infrastructure, energy, connectivity, regulation, and capacity development within a long-term vision. These large-scale investments stimulate construction and related services; however, their long-term employment impact is limited, and benefits may become concentrated in the absence of policies that broaden their effects (Arbache, 2024).

International experience shows that the greatest impacts are achieved when

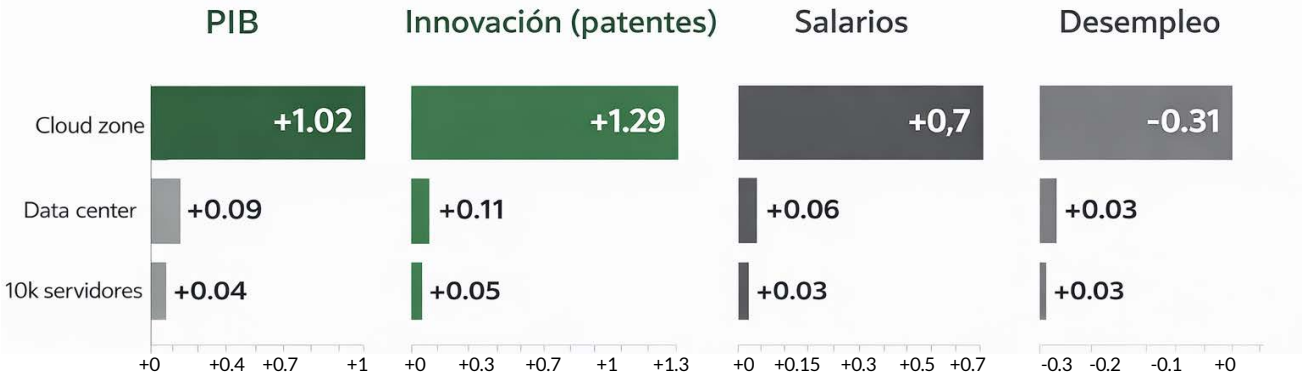


data centers are integrated into broader critical infrastructure strategies. Brazil is moving in this direction by linking its expansion to 5G, high-performance computing, and sustainability, with projected capacity of up to 1,210 MW by 2029 (Tejada, 2025). Chile, for its part, aims to triple its industry through the National Data Center Plan, with estimated investments of US\$2.5 billion and an approach focused on territorial planning and governance (MinCiencia, 2024). The siting of this infrastructure depends on the alignment across

energy, connectivity, and regulation. The expansion of submarine cables and the demand for lower latency have reinforced the consolidation of digital corridors in countries such as Brazil, Mexico, Chile, and Colombia (Clifford Chance, 2025). At the same time, their economic impact is amplified when they generate value chains across sectors such as energy, telecommunications, specialized construction, and technology services. These effects can be significant (Figure No. 2). The deployment of a cloud zone is associated with GDP increases

of over 1% and improvements in innovation and wages (Katz and Jung, 2025). However, these outcomes do not occur automatically; they require supplier development policies, technical training, and institutional coordination. In this process, Development Banking plays a central role by financing complementary infrastructure, mitigating risks, and coordinating investments; preventing data centers from operating as isolated enclaves and fostering their integration into strategies for productive transformation, energy sustainability,

Figure n.º 2. Estimated Socioeconomic Impacts of Data Infrastructure Deployment, by Scale of Digital Infrastructure



Prepared in-house based on Katz and Jung (2025), The Socioeconomic Impact of Data Infrastructure, IDB.
 Note: Values correspond to estimated impacts across different levels of digital infrastructure. A cloud zone represents a cloud computing ecosystem that integrates multiple data centers and digital services. The impact associated with a data center reflects the marginal effect of an individual facility.



and the strengthening of technological capabilities.

DEVELOPMENT BANKING AS A CATALYST FOR THE DIGITAL AND ENERGY TRANSITION:

The technical and financial complexity of data centers underscores the pivotal role that Development Banking can play. As capital-intensive assets with high energy requirements and strong interdependencies with systems such as electricity transmission, renewable generation, fiber optics, and cybersecurity, data centers present challenges that make it difficult for private financing to structure comprehensive solutions in early stages or in markets where the ecosystem is still nascent.

One of the central contributions of development banking lies in providing long-term financing and risk mitigation. Medium-scale projects may require investments of around US\$200 million for 20 MW facilities, with complex financial structures that combine different financing schemes (Cisman, 2025). In this type of operation, these institutions can offer extended tenors, subordinated instruments, and guarantees that enhance project viability.

Their role is also reflected in the mobilization of private capital. Rather than replacing investors, these institutions act as catalysts through co-investments, mezzanine financing, and participation in specialized funds. The case of the Banco Nacional de

Desenvolvimento Econômico e Social (BNDES) in Brazil illustrates this strategy. In 2024, it launched a US\$380 million credit line for data centers and, since 2023, has mobilized US\$324 million toward the technology sector. Part of these resources was channeled into funds that could leverage up to an additional US\$434 million in private investment (BNDES, 2025; Brasil 247, 2025). This approach reflects an intervention that spans both the sector's physical infrastructure and its financial architecture.

The coordination of complementary infrastructure represents another key area. The viability of data centers depends on power grids, renewable generation, connectivity, and urban services. Development Banking has the capacity to coordinate these investments when they involve multiple sectors. The agreement between BNDES, FINEP, and public entities to develop Rio de Janeiro as a digital hub reflects this approach by integrating financing, technology policy, and energy

In 2024, BNDES launched a US\$380 million credit line for data centers and, since 2023, has mobilized US\$324 million toward the technology sector. Part of these resources was channeled into funds that could leverage up to an additional US\$434 million in private investment.





expansion, with funds that could scale to nearly US\$940 million.

The territorial dimension also becomes increasingly relevant. Public development banks can help reduce the geographic concentration of digital infrastructure and promote the development of alternative nodes. The Recife 1 project, with an investment of US\$57 million, illustrates how these institutions can promote developments outside the main hubs, reducing systemic risks and expanding territorial coverage (Bucco, 2025).

Another area of action is the strengthening of public digital infrastructure. The Piauí Mais Digital program, with US\$50 million, combines connectivity, data center modernization, and capacity building, benefiting more than 755,000 people and generating estimated savings of US\$26 million (Parra, 2025). These initiatives demonstrate that Development Banking can have a meaningful impact on the quality of public services and on digital inclusion.

Project preparation is a less visible yet equally pivotal component. The lack of prefeasibility studies and regulatory

frameworks limits the development of bankable project pipelines. CAF—Development Bank of Latin America and the Caribbean—has begun to provide support in early stages by financing studies and strengthening institutional capacities (Piazza, 2025).

Finally, the linkage between the digital transition and sustainability broadens the scope of intervention. Development Banking can structure financial

solutions aligned with decarbonization goals, promote environmental standards, and strengthen local value chains. Their contribution goes beyond financing individual projects. It enables the coordination of investments, the mobilization of private resources, and the alignment of digital infrastructure expansion with objectives of productive development, sustainability, and inclusion.

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The Role of Development Banking in Financial Education as a Tool for Inclusion and Economic Development

Financial education is one of the core actions of Development Banking to advance progressively and consistently toward social inclusion and development. Various initiatives across Latin America and the Caribbean aim to strengthen financial knowledge, skills, and decision-making among households, entrepreneurial ventures, and other segments, with potential impacts on economic inclusion and overall well-being.



Financial education has become a strategic tool for Development Banking, as it helps improve the relationship of households, entrepreneurs, rural producers, micro and small enterprises, and subnational governments with the financial system. Its importance lies not only in expanding access to financial services, but also in promoting their more effective, secure, and development-oriented use. In this

Financial education can no longer be separated from digital financial literacy, understood as the set of knowledge, skills, attitudes, and behaviors required to use digital financial services safely and in support of financial well-being.

regard, recent evidence underscores that financial inclusion should not be understood solely as account ownership, but also as the capacity to

use financial services for payments, savings, credit, and risk management, particularly in an increasingly digitalized environment¹.

Tabla n.º 1. Selected Financial Education Programs and Products in Development Banks

Institution	Country	Program or Product	Main Contribution
Banco Ciudad	Argentina	Finanzas para Crecer / Cuenta Crecer	Brings savings and banking operations closer to youth and adolescents by combining practical training with early integration into the financial system.
Banco de Desarrollo Productivo (BDP)	Bolivia	Aula BDP	Web and mobile platform for continuous training for producers and entrepreneurs, offering flexible access and applied content.
BanEcuador B.P.	Ecuador	Programa de Educación Financiera	Strengthens budgeting and savings habits, as well as the responsible use of financial products among households and entrepreneurial ventures.
Banco de Desarrollo del Ecuador B.P.	Ecuador	Educación financiera para gobiernos subnacionales	Links financial literacy with debt management, obligations, and the financial management of local governments.
Crédito Hipotecario Nacional (CHN)	Guatemala	Banco del Niño	Promotes the habit of saving from an early age through an account designed for minors.
Caja de Ahorros	Panama	Cuenta Caja de los Niños	<i>Incorporates early financial education and savings planning for children and their families.</i>
Agencia Nacional de Desarrollo (ANDE)	Uruguay	Talleres de educación financiera para emprendimientos y pequeñas empresas	Addresses budgeting, credit, payment methods, and the prevention of over-indebtedness for MSMEs and entrepreneurial ventures.

Prepared in-house based on institutional information.

In LAC, where high levels of informality, territorial gaps, low productivity, and unequal financial capabilities persist, having an account, accessing credit, or using digital payment methods does not in itself guarantee better economic outcomes. The expansion of digitalization further reinforces this need, as access to the financial system is increasingly carried out through wallets, applications, transfers, and electronic payments. While this creates new opportunities, it also requires greater capabilities in terms of understanding, security, and risk protection.

Therefore, financial education can no longer be separated from digital financial literacy, understood as the set of knowledge, skills, attitudes, and behaviors required to use digital financial services safely and in support of financial well-being². Financial education strengthens the quality of intermediation and the effectiveness of Development Banking.

AN OVERVIEW OF PROGRAMS AND PRODUCTS

Before distinguishing target groups and modalities, it is useful to consider the range of initiatives already being implemented across the region. Various development finance institutions have begun to develop programs, accounts, platforms, and financial education services that address different, yet complementary, needs (Table No. 1). Some initiatives are aimed at children and adolescents to promote early savings habits and familiarity with the financial system. Others target entrepreneurs, small producers, or MSMEs, linking content to concrete decisions related to budgeting, credit, payment methods, or cash flow management. Finally, others are tailored to subnational governments or specific groups that need to strengthen their financial management capabilities.

The various programs reflect the diversity of the target populations

served. Therefore, a segmented and functional perspective is useful for better understanding the scope of these initiatives.

PROGRAMS FOR EARLY-STAGE FINANCIAL EDUCATION

A first group comprises programs aimed at children, adolescents, and youth, whose main objective is to foster early habits of saving, planning, and familiarity with the use of basic financial products. These initiatives are particularly relevant because sustainable financial inclusion depends not only on expanding access, but also on building capabilities from early stages of life.

In Argentina, Banco Ciudad has operationalized this approach through Finanzas para Crecer and Cuenta Crecer. The initiative combines theoretical and practical workshops with early financial onboarding tools, linking learning to concrete



decisions on savings, account usage, and a basic understanding of banking operations. The program has reached a significant scale in training activities and account openings for adolescents, demonstrating how financial education can be integrated into the product ecosystem rather than being limited to standalone initiatives by the bank.

Along the same lines, Banco del Niño of Crédito Hipotecario Nacional de Guatemala and Cuenta Caja de los Niños of Caja de Ahorros of Panamá illustrate another approach: promoting the habit of saving from an early age through financial products specifically designed for minors and their families. The importance of these initiatives lies in introducing financial education at a formative stage, linking it to everyday practices and to an initial engagement with the financial system.

In these cases, learning is not presented as abstract content, but rather as part of a concrete experience. Financial education becomes more effective when it is linked to real and simple decisions. This can help build more sustainable social inclusion over time.

PLATFORMS AND PROGRAMS FOR PRODUCERS, ENTREPRENEURS, AND MSMES

A second line of action brings together initiatives aimed at producers, entrepreneurs, and small economic units. Here, financial education plays a key role, as this segment faces complex decisions with limited room for error: managing cash flow, separating household and business finances, assessing the cost of credit, organizing payments, and selecting appropriate financing instruments.

In Bolivia, Aula BDP represents a noteworthy initiative. It is a web and mobile platform for continuous training

for producers and entrepreneurs, offering flexible access and practical content. Its value lies in bringing financial training closer to users who are not always able to participate in ongoing in-person programs, doing so through a format that is more adaptable to their pace and needs. In this case, digitalization expands the reach of non-financial services and enables learning processes to be sustained in a more accessible manner.

In Ecuador, BanEcuador B.P. has developed a Programa de Educación Financiera aimed at strengthening capabilities in personal and productive finance, linking content on budgeting, savings, and the responsible use of financial products with the specific challenges faced by households and entrepreneurial ventures. Institutional information also indicates significant participation by women, which further underscores the value of these initiatives in terms of economic inclusion.

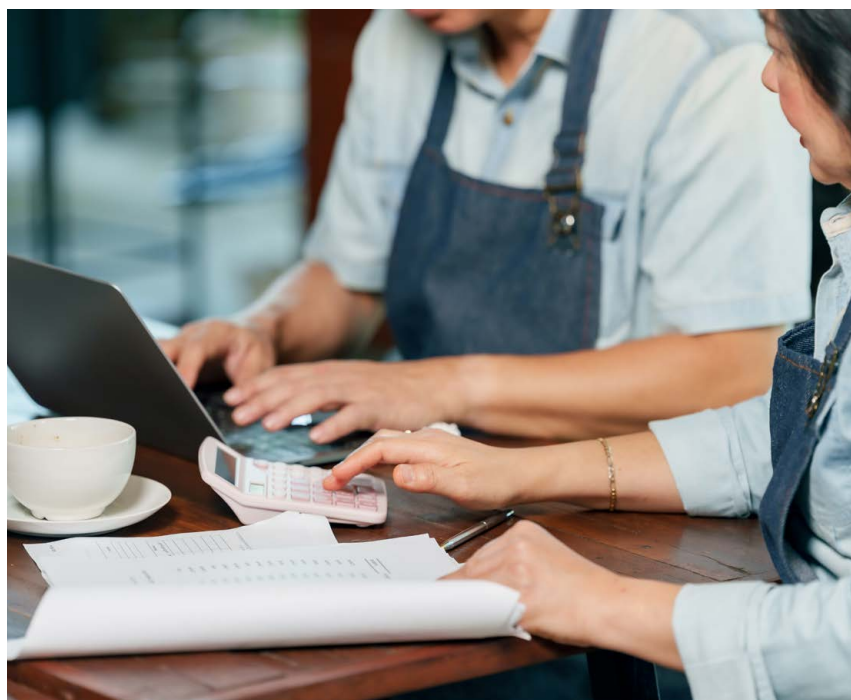
In Uruguay, financial education workshops for entrepreneurial ventures and small businesses promoted by

Agencia Nacional de Desarrollo reflect a similarly practical approach. The content focuses on budgeting, credit, payment methods, and the prevention of over-indebtedness—that is, on decisions directly linked to the economic sustainability of small businesses. Financial education is thus connected to concrete management challenges.

Programs targeting these segments share an important feature: they do not separate learning from the user's economic activity. On the contrary, they bring financial education closer to cash flow, pricing, supplier relationships, the use of payment methods, and an understanding of financing.

FINANCIAL EDUCATION APPLIED TO PUBLIC AND TERRITORIAL MANAGEMENT

A third line of work, less common but particularly relevant, is the one that adapts financial education to the needs of subnational governments. In this case, the objective is not only to improve the relationship of individuals or companies with the financial system,





The programs do not separate learning from the user's economic activity; rather, they bring financial education closer to cash flow, pricing, supplier relationships, the use of payment methods, and an understanding of financing.

Source: BanEcuador

risks of unsustainable decisions or inefficient use of available financing increase. From this perspective, financial education can contribute to improving the quality of public investment and the sustainability of subnational credit operations.

LESSONS LEARNED AND IMPLICATIONS FOR DEVELOPMENT

Taken together, these initiatives show that financial education is more effective when it starts from concrete needs and is linked to users' real decisions. An adolescent learns better when the content is connected to their first account and the use of payment methods; an entrepreneur, when it can be applied to cash flow, the cost of a loan, or business organization; and a local government, when training is tied to its budget, obligations, and projects. They also show that format matters: the most effective programs do not simply convey concepts, but translate technical notions into everyday decisions and combine in-person workshops, digital materials, self-learning platforms, and mobile tools. This makes it possible to expand coverage without losing relevance,

which is particularly valuable in remote areas or among segments with time and access constraints.

These initiatives also show that financial education and digital inclusion can no longer be addressed separately. Moreover, their importance goes beyond individual learning. At the household level, it improves the management of budgeting, savings, credit, and debt; in micro and small enterprises, it strengthens cash management, investment planning, and relationships with financial institutions and public programs; and in rural areas, it facilitates better alignment between credit, production cycles, costs, and timelines. For Development Banking, improved financial education also enhances the quality of demand, promotes a more structured use of financial products, and strengthens the effectiveness of public action.

Therefore, financial education should not be seen as a secondary activity, but as a vital component that enables more sustainable financial inclusion and more effective development financing.

but also to strengthen institutional capacities in debt management, obligations, budgeting, and public financial management.

In Ecuador, Banco de Desarrollo del Ecuador B.P. has developed specific financial education content for decentralized autonomous governments, linking learning to debt management and territorial financial management. This approach broadens the traditional scope of financial education and demonstrates that it can also serve as a valuable tool for improving the quality of public management at the local level.

These types of programs are important because local governments play an increasingly significant role in the provision of infrastructure, services, and territorial development projects. When their financial capacities are weak, the

1 World Bank. (2025). The Global Findex Database 2025: Connectivity and Financial Inclusion in the Digital Economy.
 2 Organisation for Economic Co-operation and Development. (2024). OECD/INFE Survey Instrument to Measure Digital Financial Literacy



Financial Performance and Evolution of Development Finance Institutions in Latin America and the Caribbean

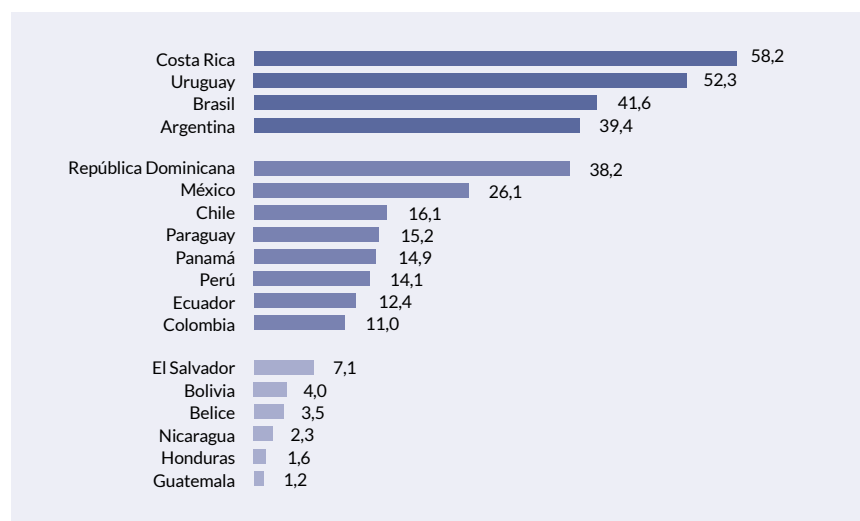
In a context of low growth, fiscal constraints, and investment gaps, development finance institutions (DFIs) continue to play a relevant role within the region's banking systems. Against this backdrop, this article shows how the performance of Development Banking strengthens its capacity to support the region's economic transformation.

ECONOMIC ENVIRONMENT AND THE ROLE OF DEVELOPMENT BANKING

Latin America and the Caribbean (LAC) are experiencing an economic environment characterized by low structural growth, heightened external uncertainty, and persistent domestic constraints to sustaining a more dynamic investment path (ECLAC, 2025). In recent years, the region has recorded weak economic performance, with potential per capita GDP growth of around 0.7%, clearly below that of advanced economies, where it is close to 1.7%. This gap reflects a pattern of non-convergence, with direct effects on productivity, formal job creation, and the capacity to achieve improvements in income distribution.

Over the past two years, the region has faced an unfavorable environment, marked by a slowdown in global trade, still-restrictive international financial conditions, geopolitical tensions, market volatility, and increasingly limited fiscal space. This is compounded by significant investment gaps to advance the Sustainable Development Goals (SDGs), estimated at around US\$99 billion annually through 2030 (ECLAC, 2025). In this con-

Figure n.º 1. Relative Size of DFIs in Relation to Banking Systems, 2024 (%)

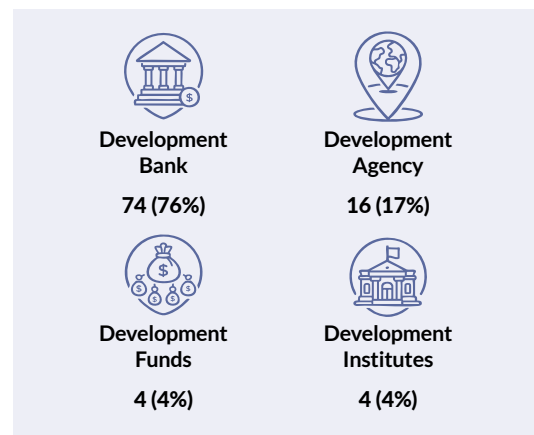


Source: ALIDE Databank

text, Development Banking becomes particularly relevant due to its ability to provide long-term financing, mobilize resources, and expand access to credit in a region with low financial depth and concentrated capital markets.

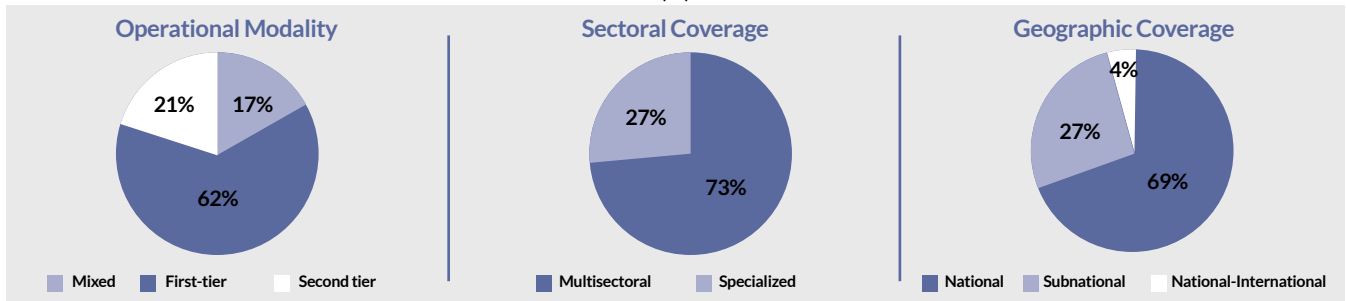
From this perspective, examining the performance of public and development financial institutions is particularly relevant.

Figure n.º 2. DFIs by Type of Institution



Source: ALIDE Databank.

Figure n.º 3. Institutional Typologies of DFIs in Latin America and the Caribbean, 2024 (%)



Source: ALIDE Databank

Note: This information corresponds to 98 DFIs in LAC. All banks with private participation, regardless of the percentage, are considered mixed-ownership banks.

REGIONAL SCALE AND HETEROGENEITY ACROSS COUNTRIES

DFIs maintain a significant presence within the region's banking systems. In 2024, their aggregate relative size averaged 23.4% of the banking system, making them an important component of the financial structure in many countries (Figure No. 1). However, this high share coexists with marked differences across countries, as seen in Costa Rica, Uruguay, Brazil, and Argentina, while in other countries the share is considerably lower.

The institutional structure of public and development financial institutions in Latin America and the Caribbean shows a clear predominance of development banks (Figure No. 2). In 2024, this type of institution accounted for 74 entities (76% of the total), highlighting that they are the main institutional vehicle for channeling development-oriented financing. On a smaller scale, development agencies comprised 16

institutions (17% of the total), while development funds and development institutes each represented 4% of the total, with 4 institutions each.

The institutional structure of DFIs in the region exhibits heterogeneous characteristics in terms of operational modality, sectoral scope, and area of activity (Figure No. 3). It is characterized by the predominance of first-tier, multisectoral entities with national reach and public ownership. In 2024, 62% operated as first-tier institutions, 73% had a multisectoral orientation, and 69% operated at the national level, reflecting a Development Banking sector primarily focused on direct intermediation with a predominantly domestic and state-owned institutional base.

EVOLUTION AND CAPITAL STRENGTHENING

The asset volume of public and development financial institutions represents a significant pool of resources

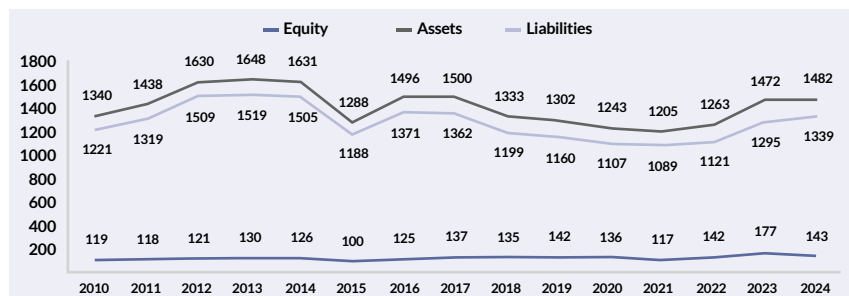
for the region's development financing, reaching 2024 levels above those prior to the pandemic (Figure No. 4); that is, assets of approximately US\$1.482 trillion, liabilities of US\$1.339 trillion, and equity of US\$143 billion. However, beyond aggregate size, the balance sheet composition is essential for analysis, as it allows for the identification of features related both to capital strength and to the sustainability of these institutions' financial trajectory.

Between 2010 and 2024, a gradual shift in the structure can be observed, with an increase in equity as a percentage of assets (Figure No. 5), while liabilities remain dominant. This trend reflects a greater participation of equity in the balance sheet structure throughout the analyzed period.

ASSET AND INVESTMENT PORTFOLIO DYNAMICS

The evolution of the asset structure allows for a clearer understanding of how the financial function of these institutions has developed over the 2010-2024 period. The net portfolio remained the main component of assets, with an average share close to 50%; however, its relative weight declined from 48.8% in 2010 to 44.1% in 2024. In parallel, net investments increased from 30.2% to 33.3%, remaining around 30% on average during the period (Figure No. 6). Together, they account for 77.4%

Figure n.º 4. Evolution of Balance Sheet Accounts, 2010-2024 (In US\$ Million)

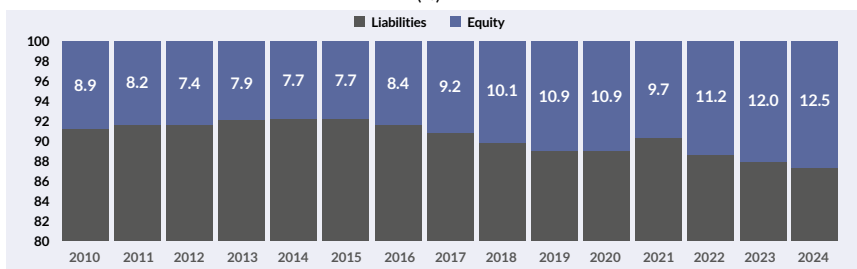


Source: ALIDE Databank



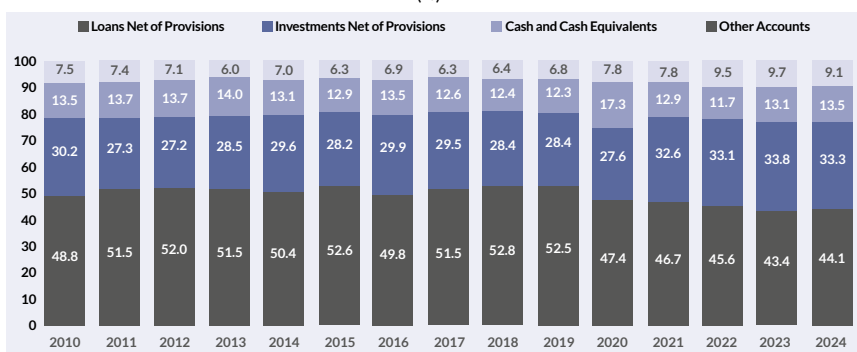
Portfolio quality is one of the most important indicators for assessing the soundness of Development Banking. A healthy portfolio not only reflects effective risk management but also the ability to balance public objectives with financial discipline.

Figure n.º 5. Evolution of Liabilities and Equity as a Percentage of Assets, 2010–2024 (%)



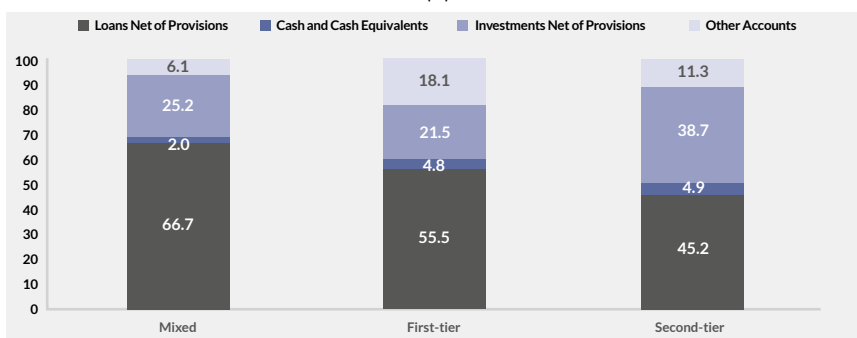
Source: ALIDE Databank

Figurae n.º 6. Evolution of Portfolio and Investments, 2010–2024 (%)



Source: ALIDE Databank

Figure n.º 7. Distribution of Net Portfolio and Investments by Operational Modality, 2024 (%)



Source: ALIDE Databank

of total assets. This trend suggests a somewhat more diversified asset composition, without implying a loss of the credit-focused nature that defines these institutions.

In relative terms, the net portfolio accounted for the largest proportion across all operational modalities (first-tier, second-tier, and mixed), particularly in mixed institutions, where it reached 66.7%, while net investments were more significant in second-tier entities, representing 42.1% of assets (Figure No. 7).

This behavior reflects the persistence of the lending function within the asset structure of development banks, along with a more diversified composition of financial resources.

In 2024, the portfolio shows a diversified composition, with the highest concentration in industry (28.2%), followed by housing and construction (14.6%) and agriculture (14.1%), as well as commerce (13%) and services (9.1%), reflecting a primary focus on productive activities, infrastructure, and the provision of basic goods (Figure No. 8).

The loan portfolio by term shows a predominant focus on medium- and long-term financing, which together accounted for 67.4% of the total in 2024,

while short-term loans represented 32.6%. This structure is consistent with the role of Development Banking in supporting productive investments and long-term projects.

PROFITABILITY AND OPERATIONAL SUSTAINABILITY

Return on assets and return on equity indicate that public and development financial institutions operate with

positive results. The observed level is consistent with an institutional approach that seeks a balance between financial soundness, public mandate, and intervention capacity

In 2024, return on assets was 1.9% and return on equity was 9.3%. These values are higher than those recorded in the immediately preceding years, indicating a recovery in profitability levels both in terms of assets and equity

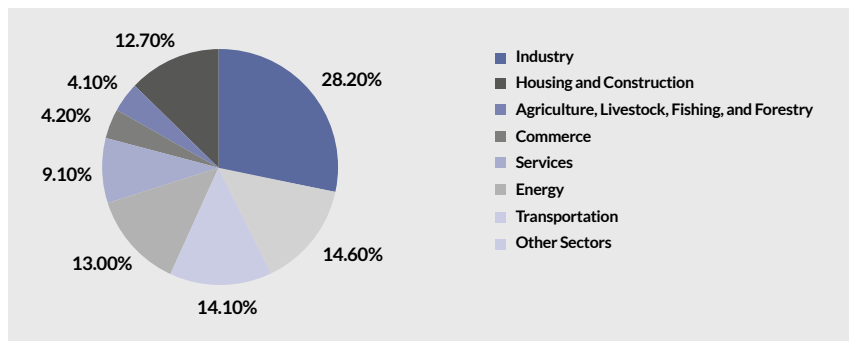
PORTFOLIO QUALITY AND RISK PROFILE

Portfolio quality is one of the most important indicators for assessing the soundness of Development Banking. A healthy portfolio not only reflects effective risk management but also the ability to balance public objectives with financial discipline. The distribution of institutions across delinquency intervals shows that the vast majority have their loan portfolios concentrated in the lowest ranges (0–5%), indicating an overall favorable credit risk performance, considering that these institutions serve higher-risk sectors and projects (Figure No. 10).

BALANCE SHEET AND OUTLOOK

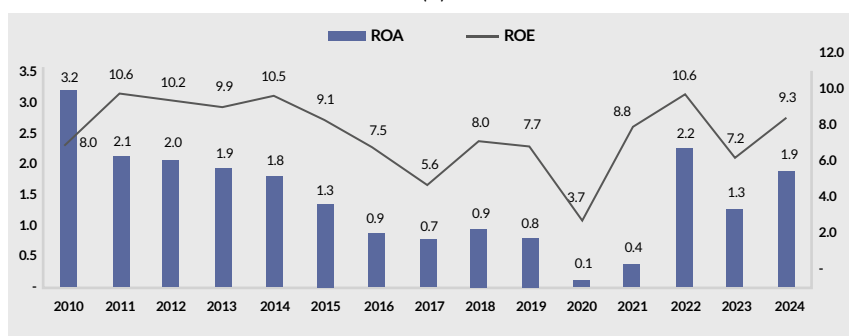
Overall, the evidence shows that public and development financial institutions continue to play an important role within the financial systems of Latin American and Caribbean countries, in a regional context of low growth, fiscal constraints, and significant investment gaps. Their significant presence in the banking systems, the predominance of public, national, multisectoral, and primarily first-tier institutional structures, as well as the recent expansion of their assets, confirm their weight in development financing. This is complemented by a gradual strengthening of capital, an asset composition that preserves the centrality of the loan portfolio while moving toward greater diversification, positive profitability indicators, and favorable portfolio quality. Overall, these results make it possible to characterize the financial position of development banks in the region and assess their potential capacity to operate within the regional economic structure.

Figure n.º 8. Portfolio Distribution by Sector, 2024 (%)



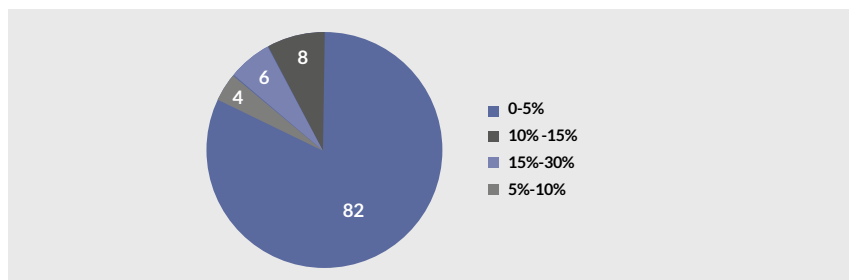
Source: ALIDE Databank
Note: Corresponds to 49 DFIs in LAC.

Figure n.º 9. Profitability Indicators, 2010–2024 (%)



Source: ALIDE Databank

Figure n.º 10. Number of DFIs by Portfolio Across Delinquency Intervals, 2024 (%)



Source: ALIDE Databank.
Note: Corresponds to 50 DFIs in LAC.



Source: Banco Nacional



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