

OUR STRATEGY

In 2016, due to the management change and need of organizational alignment, we performed an internal workshop involving the Board of Directors and the deputy managing directors, responsible for our different areas, aiming to jointly reflect on principles, guidelines and challenges for the 2017-2018 period.

Attributes that, together with our values, guide our activities and relationships were pointed out as the principles of the institution: transparency, effectiveness (impact and sustainability, and monitoring and results evaluation), efficiency (control of costs, agility, simplification of policies and process), focus, sense of urgency and client vision.

Our new guidelines (refer to the chart on the right) will serve as orientation for choosing the projects supported, raising and applying our funds, role to be performed and models of operation over the next two years.

SELECTIVE CRITERION OF FINANCIAL SUPPORT

Incentive to projects with greater social return rather than private return, through a judicious selection of types of financing to be performed with TJLP.

LEVERAGE IN THE USE OF RESOURCES

Besides operating in financing, we will expand our operation to other types of businesses, providing guarantees, structuring operations or coordinating privatization processes, using our expertise.

AMPLIFICATION OF ACCESS TO CREDIT

We will foster the entrepreneurship when focusing the increase of competitiveness of Brazilian micro, small and medium-sized enterprises (MSME) and the economic and social inclusion through microcredit.

INFRASTRUCTURE

We concentrate our greatest efforts in this sector, in sanitation and transportation projects, for their capacity of generating great externality and impact on the increase of competitiveness and productivity of the country.

INDUSTRY

We will prioritize initiatives earmarked to increase the productivity and competitiveness.

EXPORTS

We will seek to contribute to insert Brazilian companies in global value chains.

PRIVATIZATION

We will give proactive support to states, municipalities and to the Federal Government's Investment Partnership Program (PPI), in order to complement our operation in infrastructure, acting in the articulation and structuring of operations of concessions or privatizations of state assets.

STRENGTHENING THE CAPITAL MARKET AND THE GOVERNANCE OF THE COMPANIES

We will stimulate the development of the Brazilian capital market through instruments such as debentures and participation funds in supporting projects, besides operating to promote better practices of corporate governance.

INNOVATION

We will encourage the development and diffusion of technologies and qualification, supporting operations associated with the creation of innovative environments.

SOCIO-ENVIRONMENTAL DEVELOPMENT

We will operate with emphasis on alternative energies, environmental protection, health, education, reinforcing our commitment to projects of great effectiveness and that preferably gather the impact and economic sustainability and social and environmental dimensions.

ROLE OF FORMULATOR AND STIMULATOR OF PUBLIC POLICIES

We will reinforce our role of thinker and inductor of policies earmarked for national development.

Based on established guidelines we defined some corporate projects to which we dedicate ourselves institutionally, via interdisciplinary groups of work. They are temporary activities with clear and pre-defined products, developed with the objective of reaching a strategic guideline, facing an internal challenge, or improving the performance of a corporate indicator.

The themes that received special attention in 2016 were: improvement of access for the MSME to the Bank, transparency, economicity, territorial development and integrity. In 2017, besides continuing the projects of transparency and economicity, we intend to approach themes such as structuring of new distribution channels, structuring of the Guarantees and Collaterals product, revision of credit policies, amplification of the BNDES FGI and education.

This last theme was the main point of a work group in 2016, which counted on several employees from different divisions of the Bank. Specialists in education were consulted and the possibilities of operation in the sector were evaluated. In 2017 it is expected to move forward in this agenda, with the establishment of the corporate strategic project, which will allow a clearer definition of the possibilities of performance and existent constraints.

OPERATIONAL POLICIES

Our operational policies specify the criteria for financing approval and determine the conditions for future loans. They reflect our mission, vision and values, principles and

guidelines, reason for which they went through judicious review throughout 2016, resulting in a new set of rules put into practice from January 2017.

Through the definition of qualifiers of the projects (innovation, education and health are some examples), we migrated from an analysis by division to an analysis by type of project. This way, the more primordial the qualifiers are considered the better the conditions of the financing granted, that is, greater the percentage that can be financed in TJLP, respecting the maximum limits of participation of the Bank.

The establishment of priorities took into consideration the possibility of generation of social return of the projects and their impact on productivity, generating employment, environmental benefits, innovation and improvement in the population's quality of life. In this context, infrastructure, education, health and environment are priorities, as well as the MSMEs.

Besides the research and internal discussions, the process of restructuring the operational policies considered external discussions such as seminars, for instance, where possible Bank roles regarding stimulus to the national development were approached.

New rules also take into account the need for a resumption of economic growth and the fiscal restriction aspect, affecting the direct and indirect support from the Bank and simplifying the financing instruments, eliminating the overlapping of lines and projects.

The new operational policies still have rules to stimulate good practices of governance of companies and advances regarding evaluation and monitoring of projects.

MONITORING AND EVALUATION (M&A)

Strengthening our system of M&A and for framework purposes, the new operational policies set forth the application of evaluation methodology of benefits expected from the investment: the thesis of investments impact on projects (TIIP).

The methodology will allow a greater understanding of the social return that may be generated and a greater transparency of the benefits expected from the financing granted.

In order for this expected impact to be measured later, the gradual introduction of the tool results chart (QR) into all the direct and non-automatic indirect operations is programmed. The QR will describe, clearly and briefly, the indicators of results expected regarding the project, allowing an individual analysis of each one and being a guide for the achievement of the goals aimed at the concession.

These results will be measured through indicators of efficacy and indicators of effectiveness.

The first analyzes, quantitatively or qualitatively, the capacity for providing goods and services expected, being linked to deliveries resultant from the execution of investments supported. The second seeks to measure the influence of the action on the third parties' lives, going beyond the immediate delivery to capture the effects resultant from the financing granted.

EXAMPLE Efficiency and effectiveness in the airports sector

OBJECTIVE
To expand the traffic capacity in Brazilian airports

EFFECTIVENESS INDICATOR
Extension of built and reformed tracks, in kilometers

EFFECTIVENESS INDICATOR
Of total passenger movement (passenger/year)

Another tool used, complementary to QR, is the Logical Framework. Its objective is to describe the impacts chain expected on the support for a set of operations, allowing a portfolio vision not just restricted to a punctual operation. The Logical Framework allows connecting of the activities of the implementation of actions, their products and services and the effects expected from them.

Moreover, to measure the impacts of infrastructure projects above R\$ 1 billion and other projects above R\$ 500 million, external evaluation will be hired.