

## Perspectives on Climate Financing

**Cesar Falconi**  
Country Representative  
Inter-American Development Bank



**#ParlAmericasCC**

**#TimeForAction**

**@ParlAmericas**

# MDBs targets to increase climate finance



IDB-IIC ANNUAL  
MEETING 2016  
Nassau, Bahamas



**AfDB:**  
**40%** of investments  
by 2020



**IDB:**  
**30%** of the total approvals  
by 2020



**EBRD:**  
**40%** total annual investments  
in **Green Financing** by 2020



**ADB:**  
**30%** portfolio to  
US\$6 billion by 2020



**WBG:**  
**28%** in 2020



**EIB:**  
**25%** total lending volume  
for climate action; also 35%  
for climate action in  
developing countries,  
starting 2020



# Strong demand for climate finance in LAC

- Estimated that LAC requires US\$75 to \$80 billion per year between 2020-2030 for mitigation and adaptation (IDB, 2015)
- Compared to receiving only \$23 billion/year (Data from WB, IDB, CPI for 2013). – financing gap exists in LAC
- At the same time LAC vulnerability to climate change adds considerable uncertainty to the likely demands for building resilience

# INCREASING ACCESS TO CLIMATE FINANCE

# TYPES OF CLIMATE FINANCE FUNDS

## Multilateral

- Global Environmental Facility (GEF), Green Climate Fund (GCF), Adaptation Fund (AF), Forest Carbon Partnership Facility (FCPF), Climate Investment Funds (CIFs), and others

## Bilateral

- International Climate Forest Initiative (Norway), International Climate Fund (UK); International Climate Initiative (Germany) and others including the **GRIF (Norway – Guyana bilateral)**

## Private Sector/ Public Sector

**Green Bonds**; Climate Bonds

Big question: How to effectively access climate financing?



# IDB's Climate Change Work in the LAC

- Support the mainstreaming of climate change e.g. incorporation of climate change into Public Expenditure Reviews (PER) – Barbados; CC considerations in energy loans - Suriname, Haiti, Guyana, T&T
- Improving access to climate finance e.g. Implementation of Climate Investment Funds (CIFs); Green Climate Fund, GEF funds, UK Blue Carbon Fund etc.
- Institutional capacity building - e.g. support to countries to help with meeting the targets of the Paris Agreement or updating their NDCs.
- Innovative climate solutions e.g. Blue Carbon Fund; Green Bond program for Chile



# IDB SUPPORT – OPTIONS IN THE ISSUANCE CYCLE OF **GREEN BONDS**

## *Consulting services*

**3- 6 months**

### 1. TECHNICAL ASSISTANCE FOR STRUCTURING

- Creation of a **national framework for the eligibility** of green activities
- **Identification and prioritization of green budget lines**
- **Preparation of documents dedicated** to the Green Market
- Support for **certification/Second opinion** on the use of funds and report to the market

### 2. TECHNICAL ASSISTANCE TO PLACEMENT

- Analytical support in evaluating **placement options** in domestic, regional and international markets
- **Presentation and Roadshow** for dedicated investors

## *Financing structuring (if applicable)*

**6 – 12 months**

### 3. FINANCIAL INSTRUMENTS OF SUPPORT FOR PLACEMENT

- **Guarantee** instruments to improve the risk profile
- **Mixed/concessional financing instrument** and anchor investment



#ParlAmericasCC

@ParlAmericas

#TimeForAction



# BUILDING ON THE NDC



# NDC Invest – IDB Platform: NDC Invest is a ‘one stop shop’ to access resources to transform NDCs into achievable investment plans

- **Chile – Financial Solution**

Development of an NDC Financial Strategy lead by the Ministry of Finance

- **Mexico – Measuring actual results**

A results-based loan linked to mitigation and adaptation outcomes in the forestry and housing sector

- **Paraguay – Delivering resilient infrastructure**

Critical studies in the preparation of the Strengthening Urban Resilience in Riverside Asuncion program

- **Peru – Scaling up private investments**

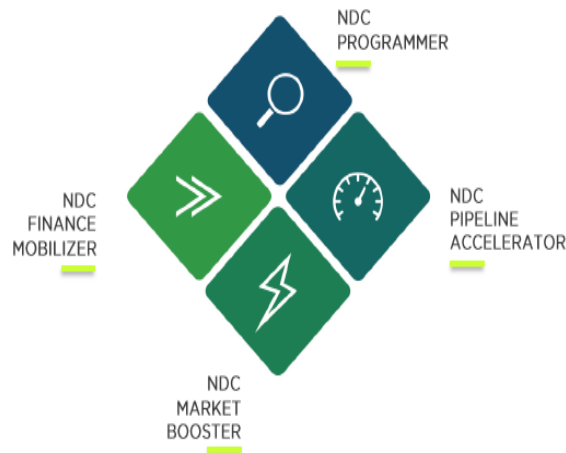
Design a strategy to ensure private sector engagement in NDC engagement

- **Bolivia – NDC as a planning instrument for implementation**

Translate Bolivia’s NDC into a planning instrument to mainstream implementation across sector ministries

- **Suriname – NDC Update**

Update to identify and analyze the opportunities to facilitate the alignment between the country’s Intended NDC (INDC) and national plans and strategies



Thank You!



Let's talk about climate change and sustainability



**@BIDcambioclima** | <http://blogs.iadb.org/climatechange>