INTERNATIONAL BIOTRADE CONGRESS
COP-13, CBD

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Environmental & Climate Change Department, CAF
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About CAF

- Latin American **multilateral financial institution**, essentially owned by developing countries
- Provides multiple types of **financial and non-financial services** to clients in the public and private sectors of its member countries
- Promotes the **conservation** of the natural and social capital, facilitating the migration towards a low-carbon and resilient to climate change economy, with social **inclusion** and equal opportunities

**Mission:**
- Sustainable development
- Regional integration
CAF’s Response: Biodiversity and the SDG’s

DACC - Environmental and Climate Change Division

Committed to promote the conservation of the natural and social capital, facilitating the migration towards a low-carbon and resilient to climate change economy, with social inclusion and equal opportunities.

- 3 operative units
- 8 programs
- 14 benefited countries
- 22 executives
- US$ 3 millions for Technical Cooperation in 2015
- Over US$ 2 Billion available for Green Financing

Green Business Unit
Institutional Environmental Management Unit
Climate Change Unit

Reinforce Capacities
Strategic Alliances
Green Financing
CAF Green Financing in 2013 – US$ 2.7 B.

- **Green Energy and Green House Gases Mitigation** – US$ 859 M (41%)
- **Climate Change Adaptation** – US$ 1.1 B (28%)
- **Other Environmental Projects** - US$ 773 M (31%)
CAF – Green Financing Partnerships

**GEF**
- Biodiversity
- Climate Change
- International Waters
- Land Degradation
- Chemicals and Waste
- Sustainable Management of Forest - REDD+

**GCF**
- GFG emissions reduction
- Increase climate change resilience in health, food and water security

**AF**
- Food security
- Risk Management
- Rural Development
- Agriculture
- Coastal Protection
- Water Management
The Green Business Unit

Seeks to promote new sustainable businesses that drive a productive transformation in the region with an inclusive approach, through three key programs:

- Biodiversity program
- Forest Program
- Green Financing

Value Chains Development
Capacity Development
Knowledge Management

Natural Capital Corporate Advantage
Sustainable Value Chains Development
Access to Markets and Financing
Generation of Green Businesses Competitive Advantage
Why focus on Green Businesses (GB)?

The bio market value is estimated in **USD 2.39 trillion**, from which **7%** corresponds to Latin America.

The value of Green forest products (timber and non-timber) account for **USD 225 BB** each year. **9%** corresponds to Latin America.

Only **3.5%** of financing for green businesses is provided by local financial institutions. Most small and medium-sized green businesses are subject to uncompetitive financing conditions.

(1) Convenio de Diversidad Biológica (2013)
(2) PNUMA (2012) TEEB, documento de propuesta de economía verde
Why focus on Energy Efficiency (EE)?

By 2012 the global market of energy efficiency was higher than the market of renewable energy due to... Continuous technological developments, policies and regulations, market forces and trends, increased competitiveness and energy costs and the need to respond to climate change

However, this is not the situation in Latin America

In the upcoming two decades, **US$ 210 billion** are expected to be invested per year in the energy efficiency sector, from which **US$ 8.4 billion** would be invested in Latin America.

- 60% → Transport Sector
- 30% → Housing
- 10% → Industry

The Mortgage Green Program in Mexico is the most emblematic program of the region. **USD 1 billion** was disbursed to encourage the installation of energy saving accessories for water, lights and gas.

(1) Agencia Internacional de Energía
(2) http://www.cmic.org/mnsectores/vivienda/2008/infonavit/hipotecaverde.htm
**Green Credit Lines program for FIs**

Objective: To provide technical training and financing to Latin American Financial Institutions (FIs) in order to improve their offer of products and services to Latin American companies looking to invest in Energy Efficiency (EE) and Green Business (GB).
Multisectoral approach...

**Green Business (GB)**

- Sustainable forest industry
- Ecotourism

✓ Sustainable environmental and social practices from a value chain approach

**Energy Efficiency (EE)**

- Industry
- Services
- Commerce
- Housing
- Transport

✓ Replacement of fuels, high efficiency motors, cogeneration, automation, air conditioning, cooling, lighting systems, network remodelling, conversion of natural gas fleets, fleet change for more efficient vehicles
Starting point: Certified products
1. **Financing**
   - Through credit lines for green businesses and energy efficiency programs

2. **Technical assistance**
   - Development of capacities of financial institutions for the evaluation of environmental and social aspects of their credit operations

3. **Strengthening of green business and energy efficiency markets**
   - Support the design and execution of public and market policies
   - Generation of strategic alliances
Support tools for FIs

1. Up to USD 1200 million credit lines to local FIs that will act as financial intermediaries to smaller companies

2. Elaboration of guides that will establish the conditions of eligibility and technical evaluation of projects

3. Elaboration of guides for FIs analysts detailing the key technical aspects to consider when analysing the sustainability and the financial component of the GB and EE

4. Elaboration of guides and business plans for the clients of the FIs (Green Business companies and energy efficiency) in order to develop their capacities to apply for credit lines

5. Technical assistance program for credit analysts of financial institutions

6. Regional Business Observatory for GB and EE that will promote access and exchange of information and resources, as well as the systematization of results and knowledge management
Everything we do begins with you.
More opportunities, a better future.

Further questions, please address to: rgomezgarcia@caf.com
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