



**United Nations Conference on Sustainable Development (Rio+20)  
Rio de Janeiro, 17 June 2012**

**Statement by  
Christiana Figueres, Executive Secretary  
United Nations Framework Convention on Climate Change  
on the occasion of the CAF (Development bank of Latin America) side event:  
Productive Transformation and Migration to Low-Carbon Economies:  
Financing Mechanism**

Excellencies,  
Ladies and gentlemen,  
Dear friends,

Let me first say how wonderful it is to be back with the CAF team, a team that I have highly respected since the days in which I collaborated with them. And let me once again congratulate CAF for having been the first regional development bank to establish a carbon program way back in 2001. The leadership and the vision that CAF demonstrated at that time still operates today and the Latin American region is all the better for it.

Let me briefly share with you some recent climate data from our region. The cost of climate impacts on the region is estimated at 2% of GDP by 2050. That is the bad news. The good news is that over the past 20 years the region has decoupled economic growth from GHG emissions, mostly due to the successful decrease in deforestation. The challenge is to maintain and strengthen the decoupling because over the last few years the introduction of natural gas is closing the gap that had been attained. In order to maintain the decoupling, the region would have to enact even stronger policies against deforestation and would have to ensure that we do not now lock in to fossil fuel power and transportation systems. This effort is estimated to cost 0.6% GDP by 2050, a worthwhile investment.

But the question that we are dealing with today is: how do we do this at the micro level? It seems clear that we need the kind of productive transformation that is being recognized here today and we need transformative financing of a kind that we are only beginning to create.

I would like to thank CAF and the regional and sub-regional development banks that have joined forces to undertake pioneering efforts in transformative finance. As you may all know, the Green Climate Fund is in the process of becoming operational and ultimately seeks to provide innovative financing that will be transformational in nature.

I would like to encourage you to share the lessons you learn through the new investors club with the Green Climate Fund board in order to accelerate innovative finance mechanisms that will be to the benefit of all. With this, the Latin American region will continue the leadership that it began in 2001.

Thank you.

-----