

GREEN AND CLIMATE FINANCE

CAF - development bank of Latin America - is playing an active role in the promotion of green economies in the region. CAF considers the following as strategic actions:

- Working hand in hand with governments to establish the necessary regulations, policies and institutional environments to foster economies with low greenhouse gas emissions.
- Supporting and developing new green economy projects, as well as capacity building and knowledge sharing to foster green growth.
- Leveraging adequate financial resources for plans in support of the region's transition toward a green economy.

CAF measures the green and climate funding components of all its credit and technical cooperation operations on a systematic basis in order to quantify the impact of its contribution. CAF has been undertaking this mapping effort since 2011, adjusting and improving it year after year to achieve a transparent and clear reporting of environmental and climate benefits.

■ Financial resources for green projects

In 2013, CAF approved **USD 2.770 billion** for projects with a green component, which accounted for **22.9%** of all funding approved for that year.

This allowed CAF to take part in the funding of **86** projects that generate environmental co-benefits and contribute to combat climate change. This figure accounts for a **USD 173 million** increase in green funding over 2012.

Of all green funding approved, **USD 1.997 billion**, i.e., **72%**, went to projects with a component to combat climate change through greenhouse gas mitigation and adaptation operations.



■ Mitigation of greenhouse gases and green energy

CAF has contributed **USD 859 million** to green energy and mitigation of greenhouse gas emission projects, mainly initiatives targeting energy efficiency (**USD 370 million**), renewable energies (**USD 273 million**) and sustainable transport (**USD 201 million**).

■ Climate change adaptation

CAF boosted funding for projects with a climate change adaptation component in 2013, reaching **USD 1.138 billion**, an **89%** increase over 2012. The main reason behind this decision was CAF's growing concern about the prevention of natural disasters and the preservation of water resources, for which **USD 706 million** and **USD 432 million** were earmarked, respectively.

■ Other environmental projects

Financing for other green projects totaled **USD 773 million**, which mainly went to water supply (**USD 558 million**) and sustainable infrastructure (**USD 214 million**). In addition, **USD 1 million** was approved for wastewater treatment, biodiversity and other programs.

■ Financial instruments

| Type of instrument | USD million |
|------------------------|-------------|
| Technical assistance | 7 |
| Concessional loans | 52 |
| Non-concessional loans | 2643 |
| Equity investments | 68 |

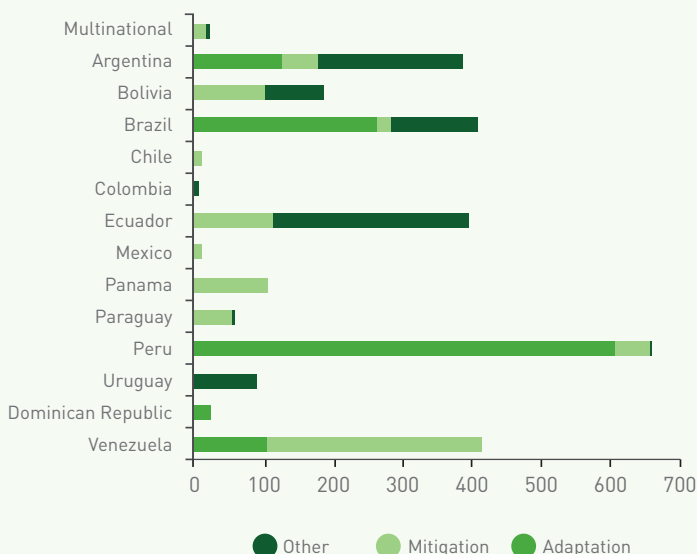
■ Methodology

The climate and green component of CAF operations and its resulting classification are accounted for according to the methodology approved by the International Development Financial Club (idfc.org).



■ Funding approved by country

Amount (USD Million)



■ Breakdown of 2013 CAF green portfolio

