

Regional opportunities for mobilizing investment

Focus in Latin America and Caribbean



First global dialogue and first investment-focused event under the Sharm el-Sheikh mitigation ambition and implementation work programme



NACIONES UNIDAS



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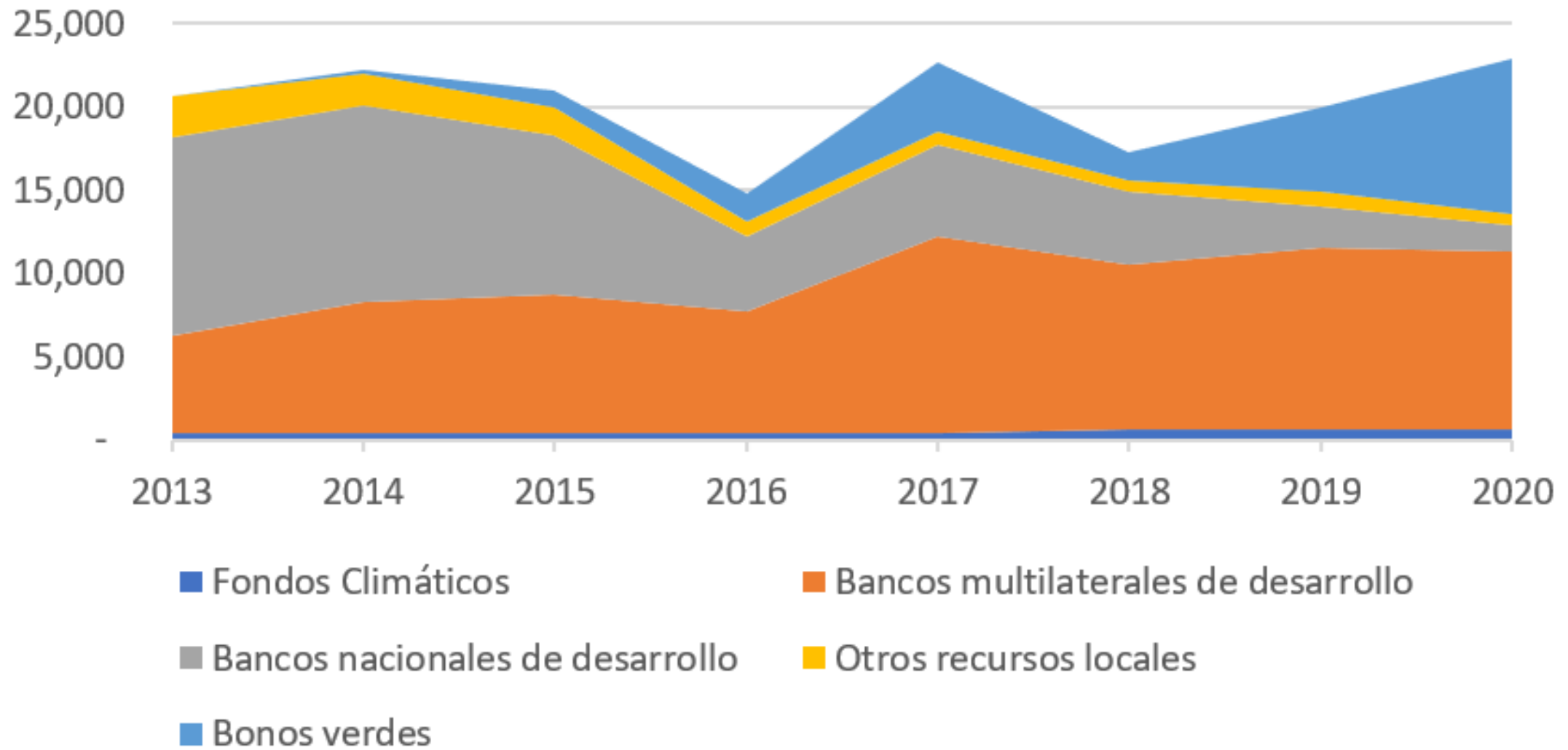
Division of Sustainable Development and Human Settlements

Comisión Económica para América Latina y el Caribe

June 5, 2023

CLIMATE FINANCE EVOLUTION IN LAC 2013 -2020

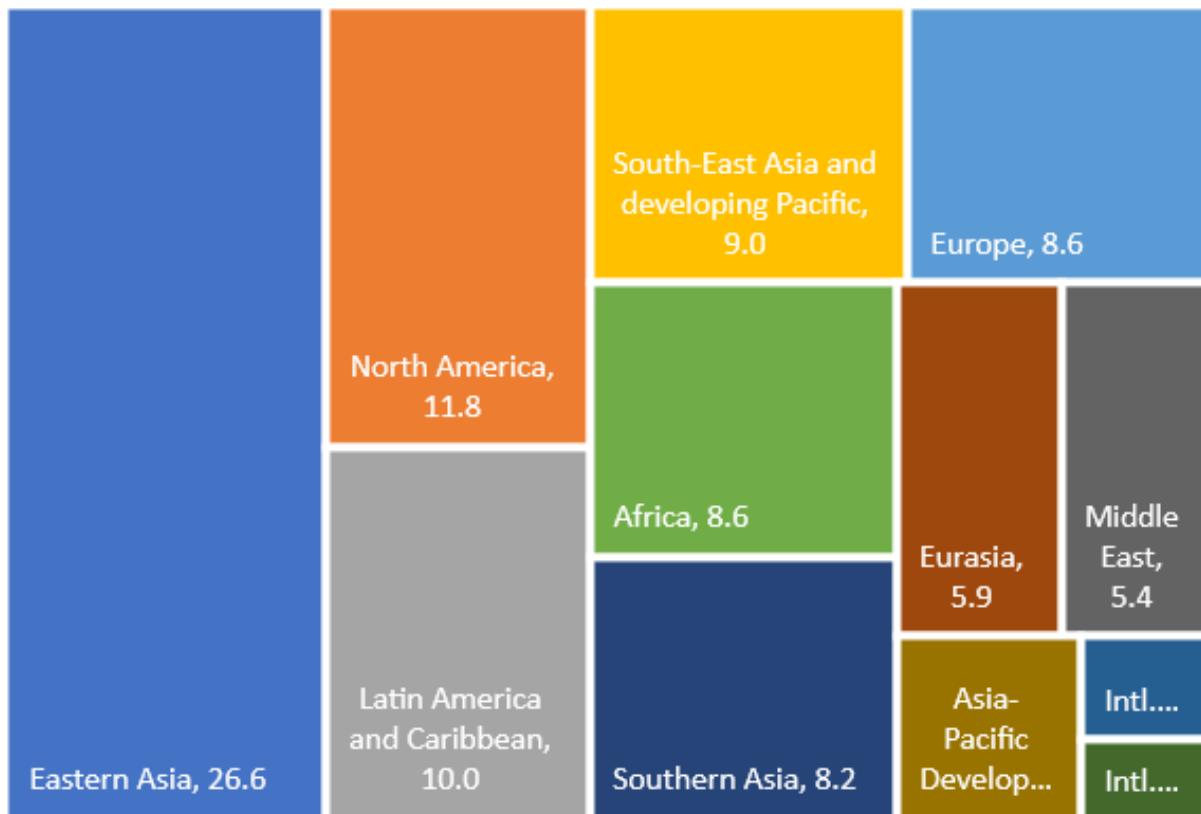
(In current million USD)



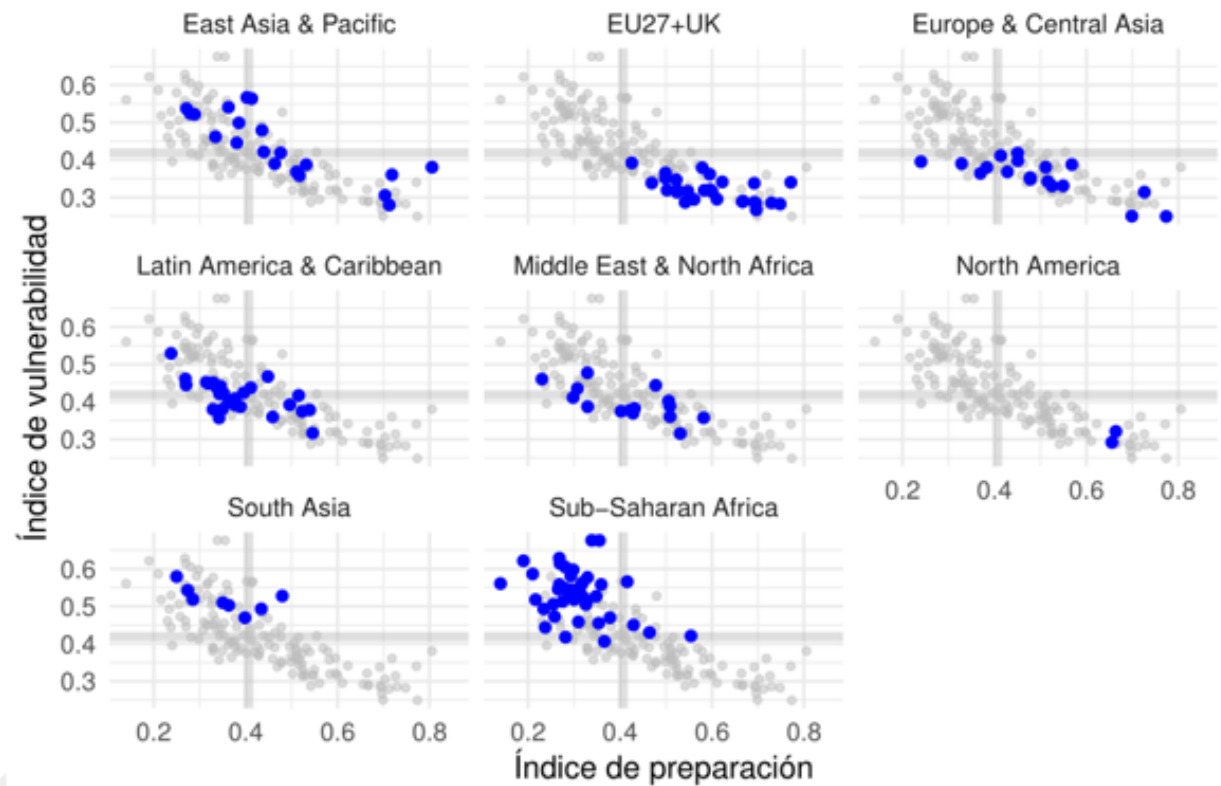
A KEY ASYMETRY

EMISSIONS BY REGION VIS A VIS CLIMATE VULNERABILITY

2019 (total 60 GtCO₂eq)
(Porcentaje)



preparación, 2019



LAC Investments needs

- Required annual investment assessments vary:
 - Infrastructure: **2% - 8% GDP**
 - Just transition (including other related SDGs): **5% y 11 % GDP**

Total: 7% - 19% GDP annually

USD: \$0.47 - \$1.3 trillions annually

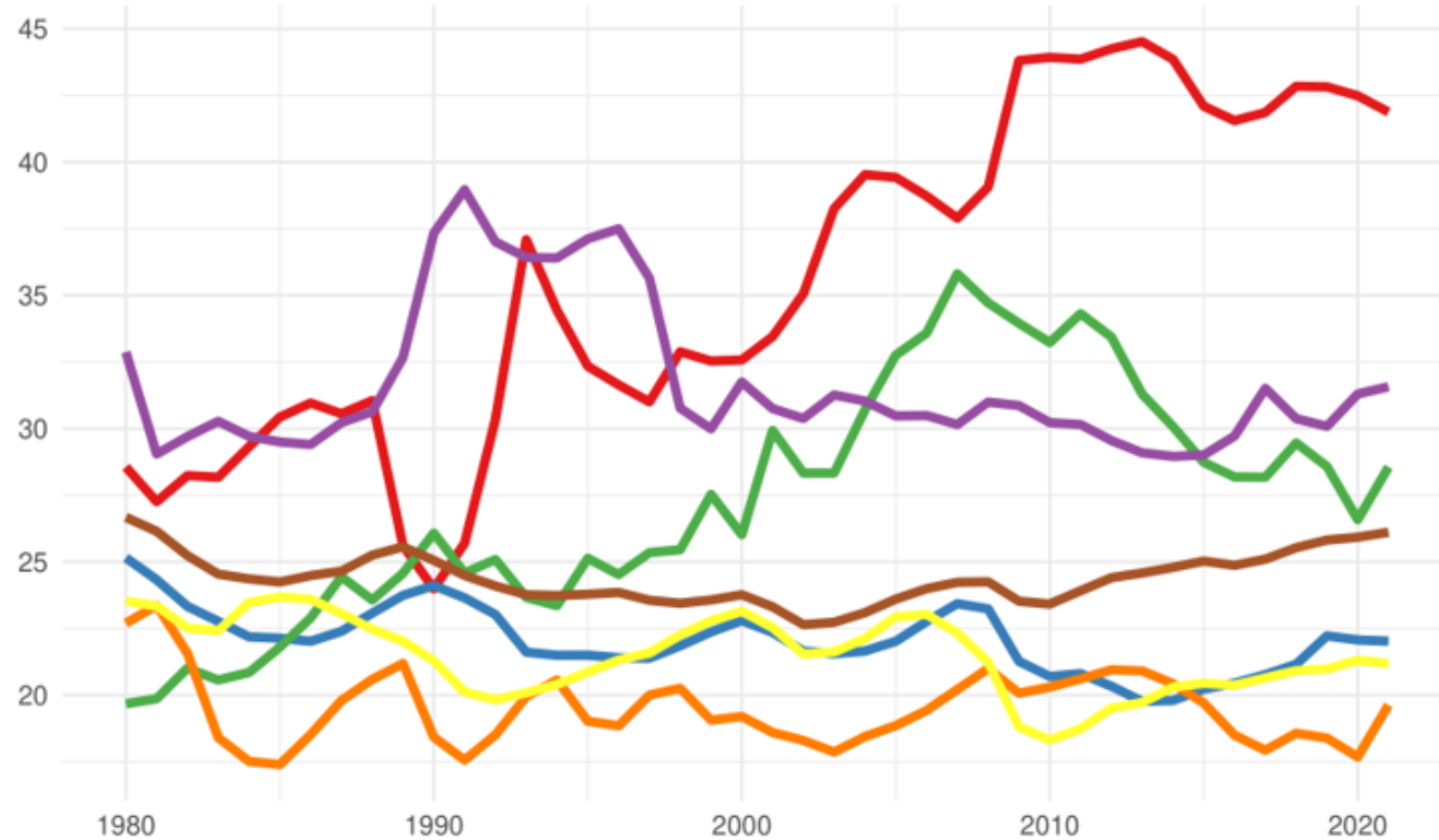
(Galindo, Hoffman y Vogt-Schilb, 2022)

FIXED CAPITAL FORMATION BY REGION (as % of GDP)

Regiones/Paises seleccionados: Formacion bruta de capital fijo

(Porcentaje del PIB)

- Investment in LAC 19% GDP
- China, India & Corea 30% GDP
- World > 20%.



China India Latin America & Caribbean World
European Union Korea, Rep. United States

Changing the risk adjusted return for the transition

CHALLENGES

1. Lack of fiscal space
2. Climate risks, disclosure
3. Taxonomy
4. Project pipeline and adequate financial vehicles
5. Bonds & loans
6. High sovereign and private debt

ACTIONS

1. Fiscal transition
2. Partnership, scenario and standards
3. 15 jurisdictions (35)
4. Green investment banks
5. Framework setting and MRV capacity building
6. International financial architecture reform

Changing the risk adjusted return for the transition

The landscape

- NGFS regional – scenarios
- Coalition (Platform) – debt management (swaps, bonds, clauses...), fiscal instruments (carbon tax & ETS), non-tax incentives, budget / MRV, investments...
- Taxonomies - Inter- agency regional harmonization initiative
- PINS Network - SPC 8 countries...plus...
- Standards and regulations for solution-side innovative activities
- TCFD Consortium / ICMA, IOSCO, ISSB
- Bridgeton initiative
- Regional tax summit: “Hacia una tributación global incluyente, sostenible y equitativa”. Cartagena de Indias, July 27 & 28
- CELAC – UE Summit on investments for the transition: Brussels, July 17 & 18

Changing the risk adjusted return for the transition

The landscape

Macroeconomic
Scenarios

IAM Scenarios

SHORT-TERM

MID-TERM



- Recovering fiscal space
- Aligning investment & spending
- Implementing TCFD
- Setting up new instruments and tools
- Implementing the taxonomy
- Transformative action and risks management

THANKS!!!



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